



Project Matching: Facilitating New Renewable Energy Projects Project Proposal Submittal Form

Project Summary

Project name: Blazing Star Wind Farm

Developer name: Geronimo Energy

Developer contact name | phone | email: Lindsay T. Smith | 952.358.5672 | lindsay@geronimoenergy.com

Renewable energy type: wind

Project city/state: Lincoln County, MN (near Hendricks)

Project geographic coordinates (To find, use: www.latlong.net/):

Latitude 44° 31' 54.34" N **Longitude** 96° 21' 36.11" W

Grid system operator (ISO, RTO) that the project will interconnect to: MISO

Total planned megawatt (MW DC) size: 200 MW (with option for future expansion)

Are there phases? If so, how many and in what size tranches? There may be phases beyond the first 200 MW but at this time the project is expected to be only 200 MW. Smaller portions of the project are available for sale i.e. an offtaker does not have to commit to the full 200 MW. At this time, we are seeking bids for 25% (50MW) of the output or greater.

What is the expected annual output of the completed project (MWh)? 800,000 MWh

Expected date of construction commencement: May 2018 (onsite construction)

Expected date of commercial operation: December 2018

What is the largest development hurdle and how is it anticipated to be overcome? Finding an offtaker for the projects output. If an offtaker does not commit to the full output of the project, Geronimo Energy will continue to seek other offtakers to purchase the balance of the project's output. Some offtake agreements may be contingent on finding additional offtakers, depending on which terms are agreed to.

Can you provide examples of similar projects you have developed?

Geronimo Energy has developed over 1,300 MW of wind farms in the Midwestern United States that are either operational or currently under construction. Operating or under construction projects similar in size and scope to Blazing Star include:

- Prairie Rose Wind Farm – a 200 MW operational project located in Rock and Pipestone counties in Minnesota (off-taker: Xcel Energy; Operating Partner: Enel Green Power)
- Odell Wind Farm – a 200 MW project under construction and scheduled for Commercial Operation summer 2016 located in Cottonwood, Watonwan, Jackson and Martin counties in Minnesota (off-taker: Xcel Energy; Operating Partner: Algonquin Power & Utilities)
- Courtenay Wind Farm – a 200 MW project under construction and scheduled for Commercial Operation fall 2016 located in Stutsman County, North Dakota. (off-taker: Xcel Energy; Operating Partner: Xcel Energy)
- Grande Prairie Wind Farm – a 400 MW project under construction and scheduled for Commercial Operation summer 2016 in Holt County, Nebraska. (off-taker: Omaha Public Power District; Operating Partner: Berkshire Hathaway Energy)

Additionally, Geronimo is developing several project of similar size and scope to Blazing Star, including Cattle Ridge Wind Farm (200 MW Grant County, SD), Crocker Wind Farm (200 MW in Clark County, SD), and Green River Wind Farm (200 MW Lee and Whiteside counties, IL).

Site Readiness

Has the project received all necessary federal, state, and local permits to proceed with construction and operation? If not, please outline the key permits required to proceed with project construction/operation and describe the steps you have taken in order to evaluate and address permitting risk for this project.

Blazing Star is located in southwestern Minnesota, a region known for its compatibility with wind energy development. The Blazing Star project site is predominantly row crops with some cattle pasturing occurring in areas. Geronimo Energy is committed to the U.S. Fish and Wildlife Service's Land Based Wind Energy Guidelines and Eagle Conservation Planning Guidance. The project has been developed following these guidance documents and as such, represents low environmental impacts.

In evaluating the Blazing Star site, Geronimo has completed tiers 1 and 2 of the Land Based Wind Energy Guidelines. The studies from these tiers have not identified any species or natural features identified that would cause major delays or changes to the project. Avian and bat point counts are planned to continue through the 2016 and 2017 years. Geronimo is actively engaged with wildlife agencies to ensure Blazing Star has appropriately addressed any concerns that they may have.

Blazing Star is in its early stages of permitting with the State of Minnesota Public Utilities Commission. This process will take approximately a year to complete but has a high level of certainty. The project will not require any local land use permits as state law preempts local controls in Minnesota. Geronimo has received permits for numerous similar projects in Minnesota using the same process: most recently, in 2014 during the development process for the Odell Wind Farm, which is a very similar facility to the Blazing Star Wind Farm.

Geronimo has been actively engaged with community stakeholders on the project to make sure that the development suits the community's vision. Since originating the project in mid-2015, Geronimo has established and maintained a presence in the local community through monthly open houses, meetings

with landowners, and coordination with local government staff and officials. The local community around the project site has experienced the benefits of wind development first hand from existing operating wind farms and is excited about the prospect of the Blazing Star Wind Farm, as well. The people in the local area, landowners and officials alike, are very excited for the new development and have been exceptionally supportive. Other permitting activities will include wetland, storm water, FAA Determinations of No Hazard and agreements with the local community for infrastructure impacts.

Have you secured long-term site control? If so, please describe the nature of the agreement (lease, ownership, etc.)?

Blazing Star currently has 27,000 signed/ likely to sign acres under easement with a target of approximately 30,000 acres to provide sufficient land for turbine siting and project facilities. The project point of interconnection substation and collector substation sites have been identified within the project area and are in the final stages of negotiating terms and executing Purchase Option Agreements.

Have land leases been filed with the county?

Leases are being filed as they are returned and executed. This is an ongoing process.

Does the project require either an Environmental Impact Statement or Environmental Assessment? If so, what is the status?

An environmental review (similar to an Environmental Assessment) will need to be completed during the state permitting process.

Interconnection

What is the status of interconnection, and have system impact and facility studies been completed? (Distribution or transmission level projects are both eligible)

Blazing Star Wind Farm will interconnect with the transmission grid at a new project substation located on the Brookings County-Lyon County 345kV MVP line. The Brookings County-Lyon County 345kV line is a recently completed MISO MVP line. This interconnection point should experience low transmission system congestion and curtailment risk relative to lower voltage interconnection points. The recent completion of the new CapEx 2020 and Brookings County – Twin Cities 345kV lines has greatly strengthened the ties between the wind-producing regions of western Minnesota and the Dakotas, thus significantly reducing congestion and curtailment risks. Interconnection will be at a point approximately 18 miles from the Brookings County Substation.

Delivery will be via the MISO transmission system. Blazing Star holds queue position J460 in the MISO Generator Interconnection Queue. The J460 Feasibility study is complete, and Blazing Star has entered the February, 2016 Definitive Planning Phase (DPP) of the MISO Generator Interconnection Process.

Approximately six months prior to the project Commercial Operation Date, MISO will create a new pricing node for the Project. This new Commercial Pricing Node will then be included in all future MISO Commercial market models. No additional transmission service is required to deliver the project's output to market.

When do you expect the interconnection study process will be complete?

Interconnection is being studied in the MISO February 2016 Definitive Planning Phase and is expected to be completed Q3 2016.

Does the transmission owner (TO) or independent system operator (ISO) have a process to study the project's impact on the local or regional grid and the subsequent cost to interconnect?

Yes, the study in which Blazing Star is currently participating (noted above) includes these impact estimates.

Operation & Financing

What is the long- and short-term plan for operating and maintaining the project?

As a renewable energy developer, Geronimo Energy anticipates we will sell the project to an owner-operator, who will construct and maintain the project. Geronimo has developed several operating wind farms and solar projects throughout the United States in this same manner and has successfully contracted with reputable and credit-worthy corporations, such as Berkshire Hathaway Energy, Sempra U.S. Gas & Power, Xcel Energy, Algonquin Power & Utilities, and Enel Green Power, among others. Over 1,500 MW of wind projects and solar projects developed by Geronimo are either operational or currently under construction.

Briefly describe why this site is a good candidate for renewable energy development and the process you used to reach this conclusion (e.g., meteorological tower data collection).

The Blazing Star Wind Farm is located in the Buffalo Ridge region of Minnesota, along the Minnesota-South Dakota border near the town of Hendricks, MN. The wind-rich area of Lincoln County has always been targeted for development for Geronimo Energy, but in the past, limited transmission capacity hindered any potential project. When plans for the regional CapX2020 Brookings County-Hampton 345 kV Transmission line became a reality, so did the concept of the Blazing Star Wind Farm in Lincoln County. As a project with an expected 2018 Commercial Operating Date, Blazing Star Wind Farm will qualify for the full Production Tax Credit by starting construction and/or incurring more than 5% of the total project costs prior to December 31, 2016.

Provide a short summary of how you view project finance and structure/ownership taking shape for this project:

Blazing Star will attain equity and tax equity finance to underwrite the construction of the facility. Geronimo itself has access to substantial equity sources and will also bring additional equity capital to the project. Geronimo has attracted equity capital from leading industry players, including Berkshire Hathaway Energy, Sempra U.S. Gas & Power, Xcel Energy, Algonquin Power & Utilities Corporation, and Enel Green Power in the past for its 1,500 MW of operating or under construction projects. In that portfolio, JP Morgan, Wells Fargo, MetLife, Berkshire Hathaway and Xcel Energy have provided tax equity financing. Further, Banco Santander, Bayern LB, CIBC, and Nord LB have provided construction finance. Geronimo maintains strong relationships with many equity, tax equity and debt providers and has taken their requirements into account regarding this proposal.

Partners

In what ways can organizations participate in the project? (Check all that Apply)

- Power purchase agreement for bundled power and RECs**
- Financial hedge or contract for differences**
- Long term REC offtake**
- REC arbitrage / REC swap (e.g., Partner would not own the RECs associated with the project)**
- Financial investment / ownership stake**
- Other, please specify: _____**

Is the project's ability to secure financing or enter the development phase contingent on finding a partner as detailed in previous question?

Yes, the project's ability to secure financing or enter into the *construction* phase is contingent on finding a partner as detailed in the previous question.

What are some of the characteristics of your ideal power purchaser, investor, or other partner?

The short answer is a credit-worthy entity interested in buying large amounts of renewable energy for 12 years or more. To get more detailed, an ideal power purchaser is one who is able to be flexible and creative along with us in regards to their purchase of renewable energy. Geronimo Energy is able to contract in unique and specialized ways to help customers achieve their individual goals, whatever they may be. To help meet those goals, it is best when the customers are willing and able to agree to more customized contract terms. Too much corporate rigidity can sometimes cause deals to fail as buying renewable energy via a power purchase agreement while also meeting corporate goals can require non-standard terms or structures. In the end, our goal is to craft the power purchase agreement in a way that works for both parties so the more flexibility we each have to work with, the greater the probability of success for each of us.

What marketing opportunities exist at the project for the partnering entity? Examples might include, naming rights, press support, ribbon cutting ceremonies etc.

Geronimo Energy has strong local ties to the community surrounding the Blazing Star Wind Farm, including media partners. As with all Geronimo Energy projects, Geronimo Energy regularly provides project updates to local press and would anticipate our partner(s) would have the same ability to publicize the project. Additionally, all Geronimo Energy projects receive a kick-off ceremony, as well as a Commercial Operation Date ceremony (details of which will vary by project and partner preference) to which high profile figures attend, such as utility executives, senators, governors, commissioners, and other local officials. These events garner significant media attention. Notably, Geronimo Energy's wind projects also include an annual community fund donation, which typically attracts media and local resident attention and offers a positive goodwill opportunity to be featured in local press.