



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

Opportunity Overview

Apex is pleased to discuss power offtake and investment opportunities for the Flat Rock Wind Project with interested parties. For power offtake contracts we are open to consider contract sizes from 5 MW up to the full 180 MW capacity and we are open to contract lengths of 5 years to 20 years. On the investment/ownership side there are opportunities for partial or 100% stakes in the sponsor equity and tax equity financing of the project.

This project is PTC-qualified and in an advanced stage of development with no significant development hurdles anticipated to reach the scheduled Q4 2016 commercial operation date. We are actively discussing power offtake and finance opportunities for this project with interested parties and encourage those interested in additional information to contact us immediately following the webinar.

Contact Information

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Project Summary

Project name:

Flat Rock

Developer name:

Apex Clean Energy

Renewable energy type:

Wind

Project city/state:

Henry and Rush Counties, Indiana

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

Latitude 39.743820 **Longitude** -85.352830

Total planned megawatt (MW DC) size:

Contracts available for 5 MW up to the entire 180 MW project capacity

Are there phases? If so, how many and in what size tranches?

The project can be apportioned out in segments to interested buyers but the project will be constructed in one phase.

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

Contract portions available for anywhere from 15,000-20,000 MWh (5 MW) annual production up to entire project output of 625,000-650,000 MWh (180 MW).

Expected date of construction commencement:

Equipment deliveries begin Q4 2015 with full start of construction in April 2016.

Expected date of commercial operation:

October 2016. In addition, this project is qualified to receive the federal production tax credit ("PTC").

What is the largest development hurdle and how is it anticipated to be overcome?

No significant development hurdles are anticipated for this project.

Can you provide examples of similar projects you have developed?

- December 2012, Apex completed the development and construction of the 300 MW Canadian Hills Wind project outside Oklahoma City. At the time of its construction, Canadian Hills was the largest single-phase wind farm in Oklahoma. The project, which utilizes both Repower and Mitsubishi turbines, sells all of its power through long-term PPAs with three utility off-takers.
- In April 2014, Apex executed a transaction for the development, financing, construction and sale of the 98 MW Hoopston Wind project in Illinois to IKEA. In March 2015, Apex completed the construction and transferred ownership of the completed project to IKEA.
- In October 2014, Apex executed a similar transaction for the development, financing, construction, and sale of the 165 MW Cameron Wind project to IKEA. Apex is managing construction of the project and will transfer ownership to IKEA upon commercial operation, which is scheduled for Q4 2015.
- Apex developed the 300 MW Balko Wind project in Beaver County, OK and sold the project to D.E. Shaw in December 2014. The Balko project, which utilizes GE turbines, will sell all of its power through long-term PPAs with two utility off-takers. It is expected to begin commercial operation in Q3 2015.

- In January 2015, Apex completed the sale of its 300 MW Kingfisher Wind project in Canadian county, OK to First Reserve. Apex is currently managing construction of the project. Kingfisher, which will utilize Vestas turbines, is expected to begin commercial operation in Q4 2015.
- In February 2015, Apex executed a transaction for the sale of the 300 MW Kay Wind project in Kay County, OK to Southern Power Company. Apex will complete development, finance and construct the project, and transfer ownership to Southern upon commercial operation, which is anticipated in Q4 2015. The Kay Wind project will utilize Siemens turbines and sell its power through long-term PPAs with two utility off-takers.

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.

All permits either received or submitted. Summary of key permit activity below:

- Local zoning permits filed in March & April 2015.
- Standard administrative permits are required prior to commencement of construction activities (e.g., Improvement Location Permit, Road Use Agreement, Decommissioning Agreement, Economic Development Agreement).
- FAA notices for hazard determination were filed Q1 2015
- Avian studies were developed in coordination with the Fish and Wildlife Service and the Indiana Department of Natural Resources. Study results confirmed the site as low risk to birds and bats and confirmed by USFWS Technical Assistance Letter issued for the project. No permits for special-status species were recommended or required.
- Initial reviews for potential wetland impacts indicate the project can be designed in accordance with Nationwide Permit requirements.
- Cultural resource reviews have been completed in coordination with the IDNR Historic Preservation and Archaeology Division, and the Project will be designed with no impacts to National Register of Historic Places listed or potentially eligible sites.

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

Yes, 100% site control is secured for the project. Approximately 29,400 acres of farm land under long-term lease with 111 landowners.

Have land leases been filed with the county?

Yes.

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

Not required.

Is this project sited on a current or formerly contaminated land, landfill or mine site?¹ If so, has the site addressed the related environmental issues?

Project is located on farmland. Not on contaminated land, landfill or mine site.

Interconnection

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

The Project will interconnect at American Electric Power's ("AEPs") proposed Rushmay 138 kV in-line switching station on the Madison-Tanners Creek 138 kV line, which passes through the Project site. The Project will interconnect into the PJM grid pursuant to a forthcoming Interconnection Services Agreement ("ISA") with PJM and AEP.

The Project received two Feasibility Studies for the Project from PJM in April 2011 associated with two, 90 MW interconnection requests. The System Impact Studies for the two interconnections were issued in October 2011. The Facilities Studies were issued in June 2012, and Flat Rock Wind, LLC requested PJM to combine the two queue positions into one, 180 MW project, and re-issue a single Facilities Study and ISA. The ISA and Facilities Study is expected to be issued in July 2015.

- Facilities Study and a draft ISA anticipated to be issued by PJM July 2015.
- Energization of Flat Rock Wind interconnection facilities at Rushmay substation scheduled for September 2016

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

Facilities Study and a draft ISA anticipated to be issued by PJM July 2015.

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, process underway.

Operation & Financing

Is any element of the project – technology or systems – experimental or pilot-phase or proven technology?

No. All technology and systems used for the project are proven.

¹ Examples of such properties could include brownfields, municipal solid waste landfills, abandoned mine lands, and Superfund sites, among others subject to state or federal authorities or cleanup programs.

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

Apex will serve as the long-term operator of the project subject to agreement with the Project's sponsor equity investor. Apex is currently contracted to serve this role on 1 MW of assets that are online or scheduled for completion in 2015.

The Apex asset management team provides oversight, management, and optimization of the Project:

- Site Services: safety, stakeholder relationship management, operations and maintenance
- Market Services: performance monitoring and forecasting, scheduling, market participation, NERC compliance
- Administrative Services: compliance, accounting, insurance, tax, legal, reporting & analysis
- Asset Optimization: research, analysis, and implementation of new technologies, optimization to changes in market conditions

The Project's turbine supplier is anticipated to be the initial primary subcontractor for the operations and maintenance of the project's turbines, and will provide all required scheduled and unscheduled service, maintenance and repair work (including all parts, consumables, tools / cranes) under a fixed fee service agreement that will include an annual availability warranty.

For wind projects, has a meteorological tower been installed? If yes, when was the tower installed and how much data has been collected?

Wind resource data at the Project site has been collected since October 2010 with the installation of two 60-meter meteorological towers and two additional 60-meter towers installed in early 2014. In spring 2015, another 60-meter and one 100-meter met tower will be installed. The installed met towers have provided approximately 94 months of cumulative data which has been correlated with high-quality long-term reference data.

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

Apex is actively discussing investment and ownership opportunities for the project with potential investors and is open to new discussions for partial or full sponsor equity and tax equity positions.

In anticipation of a 2016 COD for the Project, the proposed capital structure will include the following:

- **Construction Period.** During the construction period, Apex assumes that 85-90% of the capital required to construct the Project will be provided by a construction loan and 10-15% from the long-term equity sponsors, which will be Apex and its equity partners.
- **Operational Period.** Upon or shortly after COD, Apex anticipates the Project's capital structure to be as follows: (i) 60% will be supported by tax equity investors; and (ii) 40% will be supported by our sponsor equity investors, which will be Apex and its equity partners.

This structure is identical to the structure Apex has used to finance many of their projects. For example, for the 300 MW Balko Wind Farm, the tax equity investors are GE, Bank of America, Citi Group, and Google. For the 298 MW Kingfisher Wind Farm, the tax equity investors is a Strategic investor owned utility. Additional counterparties we have worked with for tax equity include JP Morgan, Union Bank, State Street and MetLife. For construction lenders, we have worked with Morgan Stanley, Key Bank, and Santander. With current market knowledge of needs of financing counterparties from recent large financings such as these, Apex is confident that it will close a successful financing for Grant Plains on time to support a November 2016 COD.

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**
- Financial investment / ownership stake**
- Other, please specify: _____**

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

Power purchasers, investors or other partners should have investment grade credit.

What marketing opportunities exist at the project?

Apex is open to discussing marketing opportunities such as naming rights with project partners.