BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS AND RECOMMENDATIONS OF THE MINNESOTA DEPARTMENT OF COMMERCE ENERGY FACILITY PERMITTING STAFF

DOCKET NO. IP 6605/WS-06-1445

Meeting Date: June 14, 2007 .....Agenda Item # _____

Company: Kenyon Wind, LLC

Docket No. **PUC Docket Number: IP 6605/WS-06-1445**

In the Matter of the Application of Kenyon Wind, LLC, for a Large Wind Energy Conversion System Site Permit for an 18.9 Megawatt Wind Farm in Goodhue County

Issue(s): Should the Minnesota Public Utilities Commission issue Kenyon Wind, LLC, a site permit under Minnesota Statutes Chapter 216F to construct an 18.9 MW Large Wind Energy Conversion System and Associated Facilities in Goodhue County, Minnesota?

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Relevant Documents

Kenyon Wind, LLC, LWECS Site Permit Application	December 15, 2006
Kenyon Wind, LLC, Amended LWECS Application	January 25, 2007
DOC EFP Staff Supplemental Filing	June 1, 2007

This document can be made available in alternative formats; i.e. large print or audio tape by calling (651) 201-2202 (Voice) or 1-800-627-3529 (TTY relay service).

The enclosed materials are Comments and Recommendations of the Department of Commerce Energy Facility Permitting Staff. They are intended for use by the Public Utilities Commission and are based on information already in the record unless otherwise noted.

Attached Documents:
1. Proposed Findings of Fact and Conclusions
2. Proposed Site Permit
3. Exhibit List

(Note: see eDockets (06-1445) or the PUC Facilities Permitting website for additional documents http://energyfacilities.puc.state.mn.us/Docket.html?Id=18946)

Statement of the Issue

Should the Minnesota Public Utilities Commission issue Kenyon Wind, LLC, a site permit under Minnesota Statutes Chapter 216F to construct an 18.9 megawatt (MW) Large Wind Energy Conversion System (LWECS) and Associated Facilities in Goodhue County, Minnesota?

Introduction and Background

Kenyon Wind, LLC (Applicant) is requesting a site permit from the PUC pursuant to Minnesota Statutes 216F.01 – 216F.07 to construct an 18.9 MW LWECS and associated facilities in Goodhue County, Minnesota.

The PUC reviewed and approved a power purchase agreement (PPA) in October 2006 between Kenyon Wind, LLC, and Xcel Energy for this project in Docket E-002/M-06-1196. A Certificate of Need from the Minnesota Public Utilities Commission (PUC) is not required for this project.

The Applicant and the Project

Kenyon Wind, LLC, is a Minnesota-based wind energy development company. The Applicant is coordinating development, financing, and management of the Project with Edison Mission Energy (EME), a wholly owned subsidiary of Southern California Edison. Kenyon Wind, LLC, does not own or operate any other wind energy facilities in Minnesota. EME owns and finances wind energy facilities across the United States, including several in Minnesota.

The Kenyon Wind Project is a Community Based Energy Development (CBED) project. Ownership of the Kenyon Wind Project will be shared among the nine Limited Liability Companies which make up Kenyon Wind, LLC, EME or its affiliates.

Project Description

The proposed project is an 18.9 MW wind facility consisting of 9 Suzlon Energy S-88 wind turbine generators, each 2.1 MW in electrical generating capacity. The proposed turbines will have an 80 meter (262 feet) hub height and a rotor diameter of 88 meters (289 feet). Each turbine will be connected via electrical cables either underground or overhead to a project substation. The project will deliver electricity to Xcel Energy via an interconnection to Xcel's transmission system.

The project is proposed in Kenyon and Cherry Grove townships in Goodhue County, approximately 2 to 3 miles southeast of the city of Kenyon. The proposed project site is approximately 7,000 acres, of which approximately 55 acres will be permanently disturbed by turbine access roads, wind turbines, or the project substation. The Applicant has secured land and wind easements or options on approximately 1,100 acres within the proposed site. The proposed site is in an agriculturally zoned area.

If issued a site permit, the Kenyon Wind project will be the first utility scale wind facility in Goodhue County.

Regulatory Process and Procedures

A site permit from the PUC is required to construct a LWECS, which is any combination of wind turbines and associated facilities with the capacity to generate five megawatts or more of electricity. The rules to implement the permitting requirements for LWECS are in Minnesota Statutes Chapter 216F and Minnesota Rules Chapter 4401.

Site Permit Application

Kenyon Wind, LLC, filed a site permit application with the Commission on December 15, 2006, to construct and operate the project. The Commission accepted the Application as complete at its agenda meeting on January 11, 2007, and issued its Order on January 17, 2007. On January 25, 2007, the Applicant filed an Amended Application reflecting changes to the project's site boundary and proposed wind turbine layout.

Preliminary Determination and Approval of the Proposed Draft Site Permit

The Commission made a preliminary determination to issue a permit, issued a draft site permit, and initiated the public participation process for the Project at its February 15, 2007, agenda meeting. At the meeting, Mr. Mike Chase, a resident near the proposed Project and president of Citizens for Environmental Rights and Safety (CFERS), LLC, argued against making a preliminary determination and issuing draft site permit. The Commission's Order was issued on February 21, 2007.

Public Participation Process

The wind siting process provides the public a number of opportunities to obtain information about and comment on the project. Landowners and governments within the project boundary were provided copies of the application, a draft site permit was available for review and comment, the public was afforded a period of time to submit written comments, and a public information meeting was held.

At the invitation of the Goodhue County Board of Commissioners, Department of Commerce (DOC) Energy Facilities Permitting (EFP) staff presented information about PUC's wind permitting process at a public meeting in Kenyon on February 15, 2007. DOC EFP staff met on the same day with numerous county and township officials to discuss wind permitting issues, impacts, mitigation measures, and wind project development. These public meetings included a total attendance of more than 150 people.

The DOC EFP staff noticed and hosted a public information meeting on March 20, 2007, at the Kenyon-Wannamingo High School Auditorium pursuant to Minnesota Rule 4401.0550. Sixty-

four (64) persons signed the attendance list. Approximately 18 people asked questions or made comments. Representatives of the DOC EFP staff, Kenyon Wind, Xcel Energy, Suzlon Energy, LMH Appraisal, and the Minnesota Pollution Control Agency (MPCA) made presentations or addressed questions at the meeting.

Summary of Public Comments and Contested Case Hearing Request

Verbal comments at the March 20, 2007, public meeting were split approximately 50 percent in favor and 50 percent opposed to the project. Verbal comments in support of the Kenyon Wind Project included statements such as wind energy does not contribute to global warming, economic development opportunity for Kenyon, visual attractiveness of wind turbines, preservation of agriculture includes wind energy, development of wind resource is a property right, zoning in the area allows wind energy, and general support of renewable energy. Comments opposed to the Project included unwanted visual impacts of wind turbines, possible negative impacts on property values, noise impacts or concerns, potential impacts to drain tile, and concern about health and safety issues.

A public comment period remained open until April 11, 2007. Six written comments in support of the Kenyon Wind Project were received. One written comment opposing the Project, raising questions and objections to Project was received. One contested case hearing request was received, which has been considered as a public comment.

Standards for Permit Issuance & Site Permit

Minnesota Statutes Chapter 216F and Minnesota Rules Chapter 4401 apply to the siting of Wind Energy Conversion Systems. The rules require applicants to provide a substantial amount of information to allow the PUC to determine the potential environmental and human impacts of the proposed project and whether the project is compatible with environmental preservation, sustainable development, and the efficient use of resources. Minnesota Rules 4401.0450 and 4401.0600.

DOC EFP Staff Analysis and Comments

The DOC EFP staff has investigated the questions and concerns raised in public comments about the Kenyon Wind Project during the course of this proceeding. The issues raised relevant to siting have been addressed in the proposed site permit, or will be addressed in pre-construction, post-construction, and/or ongoing compliance filings.

Based on the record, DOC EFP staff conclude that the Kenyon Wind Project meets procedural requirements and the criteria and standards for issuance of a site permit found in Minnesota Statutes and Minnesota Rules.

The DOC EFP staff has prepared for the Commission's consideration proposed Findings of Fact and Conclusions, a proposed Site Permit, and Exhibit List.

Proposed Findings of Fact

The proposed Findings address the procedural aspects of the process followed, describe the Project, respond to the written comments, and address the environmental and other considerations. See Attachment A. The Findings of Fact are similar to findings made in several other LWECS projects. The following outline identifies the categories of the Findings.

Category	**Findings**
Background and Procedure	(Findings Nos. 1 – 17)
The Permittee	(Finding No. 18)
Project Description	(Findings Nos. 19 – 27)
Wind Resource Considerations	(Findings Nos. 28 – 30)
Land Rights and Easement Agreements	(Findings Nos. 31 – 34)
Public Comments	(Findings Nos. 35 – 45)
Site Criteria	(Findings Nos. 46 – 87)
Site Permit Conditions	(Findings Nos. 88 – 90)

Proposed Site Permit

The DOC EFP Staff has prepared a site permit for the Commission's consideration. Staff made minor administrative changes to the draft site permit, however, no significant substantive changes have been made. See Attachment B.

Exhibit List

An exhibit list of the written comments and other documents that are part of the record in this permit proceeding is included as Attachment C. The exhibit list provides direct links to each document in the edockets web site. The DOC staff can make any of these documents available to a PUC member upon request, and copies will be available at the PUC meeting.

Staff Responses to Comments and Issues Raised

DOC EFP staff provide the following analysis lists the categories of issues raised and how the proposed site permit or other jurisdictions will address these issues.

Project Layout. The updated site layout, moves proposed wind turbine generators further away from homes than the layouts proposed in the Application and Amended Application.

Noise. The site permit requires the Permittee comply with Minnesota noise standards found in Minnesota Rule Chapter 7030 at all times. The Minnesota noise standards are enforced by the Minnesota Pollution Control Agency. The PUC may amend, add additional conditions, or revoke a site permit if the Permittee does not comply with all relevant statutes and rules. See Site Permit at: III.E.3.

Kenyon Wind, LLC, has adjusted its proposed site layout, and may continue to be adjusted to accommodate micrositing issues. (Exhibit 24). Suzlon Wind Energy, the manufacturer of the wind turbines proposed for this project, submitted results of its calculations predicting noise levels at residential receivers based on the project layout. Suzlon Energy's analysis indicates that the project will meet Minnesota noise standards found in Minnesota Rules Chapter 7030. (Exhibit 24).

Conditions in the site permit allow the PUC to order the Permittee to conduct a noise prediction (pre-construction) or monitoring (post-construction) assessment at any time. This condition allows the PUC to review and approve the noise assessment methodology prior to its commencement. See Site Permit at: III.F.2.

Visual Impacts. Wind turbines have visual impacts. The visual impact of a wind facility is highly subjective. Some people like the view of wind turbines, others do not. The primary

mitigation measures available for reducing visual impacts are avoidance of highly scenic areas (site selection), use of neutral turbine paint colors, and minimizing above ground infrastructure. In addition, the site permit prohibits turbine lighting beyond what is required by the Federal Aviation Administration (FAA) which will reduce nighttime visual impacts. See Site Permit at: III.E.4.

Concerns about the phenomenon called "shadow flicker" were raised during the public comment process. As wind turbine blades rotate during daylight and sunny conditions, they can cast shadows on the landscape below. These shadows may move or vary in intensity as the sun moves across the sky, as well as with wind direction and speed. The flickering of the shadow occurs only when there is adequate sunlight to cast a shadow and when the turbine blades are rotating.

Based on staff review of shadow flicker analyses for wind turbines of the size and at the latitude proposed, potential shadow flicker at locations more than 1,000 feet from turbines is expected to be limited to early morning and evening and total less than 25 hours annually under worst case conditions. The frequency of potential flickering of sunlight is well below the level of concern for triggering seizures in people with photosensitive epilepsy as described by the Epilepsy Foundation. Shadow flicker is not specifically addressed in the site permit; however, it can be addressed through the complaint process and the PUC can amend the site permit if necessary at a later date to address it. Mitigation measures may include planting vegetated visual screens between turbines and homes, and installation of wind shades or blinds where shadow flicker complaints occur.See Site Permit at: III.K.1, 3, 11.

Public Services and Infrastructure. The site permit requires Kenyon Wind, LLC, to obtain the appropriate local, county, and/or state permits for use and repair of roads used during the construction process. In general, townships and counties require road use permits and adherence to local design standards. Pre and post construction assessments of road conditions and mitigation measures are usually required. Local governments typically hold the wind developer financially responsible for road damage and repair. See Site Permit at: III.B.8.

Impacts to Communications Services. Kenyon Wind, LLC, has submitted a report determining that microwave beam paths are not present above the proposed site. (Exhibit 24). The project will not affect microwave beam path infrastructure. The site permit requires Kenyon Wind, LLC, to conduct a pre-construction assessment of communication signal strength in the project area to determine if wind turbines cause interference to local television, radio and other communications reception. The site permit requires the Permittee to expeditiously resolve any degradation to TV, radio and other communication services. See Site Permit at: III.D.3.

Water Quality and Drain Tile. Kenyon Wind, LLC, reports that it has discussed drain tile locations with landowners and drain tile contractors to identify tile line locations. Kenyon Wind, LLC, has indicated that it will contract with a local professional drain tile contractor to assist in locating and avoiding drain tile, and to repair damaged tiles. (Exhibit 24). The proposed site permit requires the Permittee be responsible for repairing any damage to drain tile, unless otherwise negotiated with the affected landowner. See Site Permit at: III.B.6. Potential indirect downstream impacts due to tile damages at upstream locations can be addressed on a case-by-case basis and through the complaint process.

The Project is not expected to have any impact on water quality. The Kenyon Wind Project will be required to obtain a National Pollution Discharge Elimination System (NPDES) permit and follow best management practices of MPCA to prevent and minimize soil erosion into surface waters during construction. See Site Permit at: III.B.9.

Aviation. The FAA has conducted aeronautical studies on the Kenyon Wind Project and has issued "Determination of No Hazard to Aviation Navigation" letters based on the site layout as of January 2007. Recent changes to turbine locations are under FAA review. The FAA determinations issued to date require synchronized red, synchronized nighttime aviation hazard lighting on 5 of the proposed turbines; however, this may change due layout and recent revisions of FAA wind turbine lighting rules. (Exhibit 24). The site permit prohibits turbine lighting beyond the minimum required FAA standards. See Site Permit at: III.E.4.

Decommissioning. The Applicant's estimate of turbine decommissioning costs is consistent with the estimates provided to the PUC in recent site permit applications. The site permit requires the Permittee to file a decommissioning plan prior to construction and decommissioning compliance reports upon PUC's request. The PUC may order changes to the decommissioning plan as conditions change. See Site Permit at: III.G.1-3.

Complaints. The site permit includes a uniform procedure for reporting complaints received to ensure that they are reported to PUC, addressed and resolved in a timely manner by the Permittee. See PUC "Complaint Report Procedures for Large Wind Energy Converstion Systems" attached to the site permit. Each local government affected will be mailed a copy of the site permit, including the complaint procedure, within 10 working days of receipt. Each landowner within the project boundary will be mailed a copy of the site permit, including the complaint procedure, within 30 days of issuance and at least five days prior to construction on any participating landowner's property. See Site Permit at: III.K.9.

Commission Decision Options

A. Adopt the attached Findings of Fact, Conclusions and Order and issue the attached site permit to Kenyon Wind, LLC, for an 18.9 MW Large Wind Energy Conversion System in Goodhue County, Minnesota. The site permit issued by the PUC authorizes Kenyon Wind, LLC, to construct and operate the proposed large wind energy conversion system and associated facilities in accordance with the conditions contained in the site permit, in compliance with Minnesota Statute 216F.04 and with Minnesota Rules Chapter 4401.

B. Amend and adopt the Findings of Fact and Conclusions and the site permit as deemed appropriate.

C. Deny the site permit.

D. Make some other decision deemed more appropriate.

DOC EFP Staff Recommendation. The staff recommends Option A.

In the Matter of the Application of Kenyon Wind, LLC, for a Large Wind Energy Conversion System Site Permit for an 18.9 Megawatt Wind Farm in Goodhue County

FINDINGS OF FACT AND CONCLUSIONS
PUC DOCKET NO. IP 6605/WS-06-1445

The above-entitled matter came before the Minnesota Public Utilities Commission (PUC or Commission), pursuant to an application by Kenyon Wind, LLC, for a Large Wind Energy Conversion Site (LWECS) permit to construct, operate, maintain and manage an 18.9 Megawatt (MW) combined nameplate capacity wind farm and associated facilities in the townships of Kenyon and Cherry Grove in Goodhue County, Minnesota. The LWECS site permit is to be issued to Kenyon Wind, LLC.

STATEMENT OF ISSUE

Should Kenyon Wind, LLC, be granted a site permit under Minnesota Statutes Chapter 216F to construct and operate an 18.9 MW LWECS in Goodhue County, Minnesota?

Based upon the record and proceedings created in this proceeding, the Commission makes the following:

FINDINGS OF FACT

Background and Procedure

1. On December 15, 2007, Kenyon Wind, LLC, filed an application with the PUC for a LWECS site permit to construct, operate, maintain and manage an 18.9 MW combined nameplate capacity wind facility and associated infrastructure in the townships of Kenyon and Cherry Grove in Goodhue County, Minnesota. (Exhibit 1).

2. In Comments and Recommendations to the PUC, dated January 11, 2007, the Department of Commerce (DOC) Energy Facilities Permitting (EFP) staff recommended that the PUC accept the application as complete under Minnesota Rule 4401.0450 and appoint a public advisor. (Exhibit 2).

3. On January 17, 2007, the PUC issued its Order accepting the application as complete and appointing a public advisor for the Kenyon Wind, LLC, project. (Exhibit 3).

4. On January 25, 2007, Kenyon Wind, LLC, filed an amended application incorporating changes in its proposed site layout. (Exhibit 4).

5. Kenyon Wind, LLC, distributed notice of application and copies of the site permit application by U.S. Mail to each landowner and township clerk within the site boundary,

county governmental and other required officials on January 29, 2007. Minnesota Rule 4401.0460. (Exhibit 5).

6. On February 8, 2007, the DOC EFP staff presented Comments and Recommendations to the PUC recommending the Commission make a preliminary determination to issue a draft site permit and recommending approval of a draft site permit for the Kenyon Wind project. (Exhibit 6).

7. On February 21, 2007, the PUC issued its Order making a preliminary determination to issue a site permit, approving a draft site permit for the Kenyon Wind, LLC, project and authoring initiation of the public comment and review process. (Exhibit 8).

8. On March 5, 2007, EFP staff posted on the PUC Energy Facilities Permitting web page the notice of public information meeting and the availability of the draft site permit.

9. On March 6, 2007, pursuant to Minnesota Rule 4401.0550, the DOC EFP staff mailed the Notice of Public Information Meeting and Public Comment Period to persons on the project mailing list to solicit comments on the site permit application, draft site permit, and to review the permitting process for the Kenyon Wind project. (Exhibit 9).

10. On March 7, 2007, the *Kenyon Leader* published the Notice of Public Information Meeting as required by Minnesota Rule 4401.0550. (Exhibit 10).

11. On March 12, 2007, Notice of Public Information Meeting and Public Comment Period was published in the *EQB Monitor*, Volume 31, No. 6. The published notice contained all of the information required by Minnesota Rule 4401.0550 subp. 1. (Exhibit 11).

12. The DOC EFP staff held a public information meeting on March 20, 2007, in Kenyon, Minn., as required by Minnesota Rule 4401.0550 to describe the project, the permitting process, and to take public comments on the application and draft site permit. Approximately 65 people attended the meeting. Representatives from Kenyon Wind, LLC, Suzlon Energy, Edison Mission Energy, LMH Appraisals, and Xcel Energy presented at the meeting. DOC EFP staff provided an overview of the permitting process and draft site permit and responded to questions about the permitting process. Representatives from Kenyon Wind, LLC and its partners, reviewed the proposed project and responded to questions.

13. On April 11, 2007, Citizens for Environmental Rights and Safety, LLC, (CFERS), filed a request for a contested case hearing be held on the project. (Exhibit 15).

14. The public comment period on the project closed on April 11, 2007. Six written comments were received and are discussed in Findings 35 - 44. (Exhibits 7, 12, 13, 14, 16, 17, 18).

15. On April 25, 2007, Kenyon Wind, LLC, filed reply comments requesting that the Commission deny the CFERS, LLC, request for a contested case hearing. (Exhibit 20).

16. On April 27, 2007, in Comments and Recommendations to the PUC, the DOC EFP staff recommended that the Commission deny the request for a contested case hearing. (Exhibit 21).

17. The PUC considered and denied the CFERS, LLC, request for a contested case hearing at its May 3, 2007, agenda meeting. The Commission referred the contested case hearing request to the DOC to be considered as a public comment in this case. The Commission's Order denying the contested case hearing request was issued on May 15, 2007. (Exhibit 23).

The Permittee

18. Kenyon Wind, LLC, is the Permittee. Kenyon Wind, LLC, will be responsible for development, project management, procurement, construction, commissioning, operation, and long-term ownership of the project. Kenyon Wind, LLC, will own the project including all equipment up the project's interconnection to the high voltage transmission system.

Project Description

19. The proposed project will use nine (9) Suzlon Energy S-88 wind turbine generators, each with a 2.1 MW nameplate capacity for a combined nameplate capacity of 18.9 MW. The wind turbines will be 80 meters (m) in hub height and will use 88 m rotors.

20. The application provides a preliminary layout and site plan, which was amended and refilled in its January 25, 2007, amended application. Kenyon Wind, LLC, filed additional site layout revisions in response to DOC EFP requests on May 10, 2007. (Exhibits 1, 4, and 24).

21. Most of the land within the project site is actively farmed. Cultivated lands make up nearly all of the project area. Several non-farm, rural residential parcels are scattered throughout the project area.

22. The project site as proposed includes approximately 7,000 acres in the townships of Kenyon and Cherry Grove in Goodhue County. The proposed wind turbine site layout is found in Exhibit 24 which shows where the proposed towers may be located. These locations are subject to change. It is estimated that the proposed facilities will result in the permanent, direct disturbance of approximately 55 acres of land depending on turbine model, size and final site layout.

23. All wind turbines, towers and blades under consideration will be in a neutral, off-white color.

24. The project will include an underground-automated supervisory control and data acquisition system (SCADA) for communication purposes. One permanent

meteorological tower will be used as part of the communication system. Other components of the project include a concrete and steel foundation for each tower, pad-mounted step-up transformers, all weather class 5 roads of gravel or similar material, and an underground and overhead electric energy feeder and collection system.

25. Each tower will be secured by a concrete foundation that will vary in size and design depending on site soil conditions. A control panel that houses communication and electronic circuitry is placed in each tower. A step-up, pad-mounted transformer will be located adjacent to each turbine to collect the power from the turbine and transfer it to a 34.5 kV collection system via underground or overhead cables.

26. Each turbine will be interconnected through an underground electrical collection and feeder system at 34.5 kV. The Permittee will place the 34.5 kV collection and feeder lines primarily on private rights-of-way and limit use of public rights-of-way. Feeder lines may be underground or overhead depending on local conditions. All of the proposed collection and feeder lines would connect to the proposed project substation in Section 13, Kenyon Township. Electricity collected from the 34.5 kV collection system will be stepped up to the transmission system level of 69 kV at the project substation.

27. Each wind turbine will be interconnected with fiber optic communication cables that will be installed underground. The communication cables will run to a central host computer which will be located either at the project substation or at the operations and maintenance facility where a SCADA system will be located. Signals from the current and potential transformers at each of the delivery points will also be fed to the central SCADA host computer. The SCADA system will be able to give status indications of the individual wind turbines and the substation and allow for remote control of the wind turbines locally or from a remote computer. This computerized supervisory control and data acquisition network will provide detailed operating and performance information for each wind turbine. Kenyon Wind, LLC, will maintain a computer program and database for tracking each wind turbine's maintenance history and energy production. The PUC will have viewer access to the SCADA system.

Wind Resource Considerations

28. The Kenyon Wind, LLC, project will be located in Goodhue County between approximately 1,100 and 1,300 feet above sea level. Land use in the project area is agricultural with intensive farming activities and, as a result, there are few trees or structures in the proposed project site to inhibit the wind as it passes over the site. The wind resource in the project area is well documented by the Department of Commerce. Wind Resource Maps produced in 2006 by WindLogics for the Department of Commerce indicate that the resource in the vicinity of the project area at 80 meters (~263 feet) is between 7.7 – 8.1 meters per second (17.2 - 18.1 miles per hour).

29. For this project, wind turbines are sited so as to have good exposure to winds from all directions with emphasis on exposure to the prevailing southerly and northwesterly winds. The turbine spacing, according to site permit application, maximizes use of the

available wind and minimizes wake and array losses within the topographical context of the site. Turbine placement has been designed to provide a minimum of 3 rotor diameter spacing in the east-west direction and 5 rotor diameter spacing in the north-south direction, with respect to the predominant energy production directions. Given the prevalence of southerly and northwesterly winds, the spacing is widest in the north-south direction. Greater spacing between the turbine strings may be used in areas where the terrain dictates the spacing. This is addressed in the permit at III.E.5. Individual, isolated turbine sites are avoided to minimize interconnection and access costs. Sufficient spacing between each turbine is utilized to minimize wake losses when the winds are blowing parallel to the turbine rows.

30. The project projected average annual output will be approximately 70,000 megawatt hours per year (MWh). Final project output is subject to final layout, design, equipment selected, and wind resources.

Land Rights and Easement Agreements

31. In order to build a large wind energy conversion system, a developer needs to secure wind rights, site leases and easement option agreements to ensure access to the site for construction and operation of a proposed project. These lease or easement agreements generally also prohibit landowners from undertaking any activities that might interfere with execution of the proposed project.

32. Kenyon Wind, LLC, has obtained lease and easement option agreements and/or rights to such agreements with landowners for land within the project site boundary necessary for installation of the components of the wind farm.

33. The project boundary set-back of 3 RD on the east-west (cross-wind) axis and set-back of 5 RD on the north-south (down-wind) axis have been established to protect the wind rights of adjacent landowners or owners not participating in the Kenyon Wind, LLC, project.

34. The Permittee will be required to meet the 3 RD east-west and 5 RD north-south wind turbine set-backs from properties outside of the project boundary described in the application and from properties within the project boundary for which Kenyon Wind, LLC, does not hold wind development easements or rights.

Public Comments and Letters Received

35. On February12, 2007, Mr. Mike Chase, a resident near the proposed Kenyon Wind Project and President of Citizens for Environmental Rights and Safety (CFERS), LLC, filed comments in opposition to the project. Mr. Chase raised a number of issues including noise, impacts on communications systems, potential for annoyance, visual impacts, safety and engineering considerations, and property values impacts. Mr. Chase asked the PUC to deny making a preliminary determination to issue a permit and deny issuing a draft site permit at

the time. He recommended that a 1.25 mile setback from homes and roads be required for the project. (Exhibit 7). Issued raised are addressed in Findings 43 – 57, 62 - 67, 70 - 90.

36. Verbal comments at the March 20, 2007, public meeting were split approximately 50 percent in favor and 50 percent opposed to the project. Verbal comments in support of the Kenyon Wind Project included statements such as wind energy does not contribute to global warming, economic development opportunity for Kenyon, visual attractiveness of wind turbines, preservation of agriculture includes wind energy, development of wind resource is a property right, zoning in the area allows wind energy, and general support of renewable energy. Comments opposed to the Project included unwanted visual impacts of wind turbines, possible negative impacts on property values, noise impacts or concerns, potential impacts to drain tile, and concern about health and safety issues.

37. On March 23, 2007, Mr. Jared Hope, at the time residing in West Concord, MN, submitted written comments in support of the Kenyon Wind project. He expressed support for renewable energy and its importance for future generations. Mr. Hope believes that Kenyon Wind, LLC, representatives have been professional, informative and responsive to community concerns. (Exhibit 12).

38. On March 23, 2007, Mr. Mike and Mrs. Debbie Hope, residents of Kenyon, submitted written comments supporting the Kenyon Wind project. Mr. and Mrs. Hope stated that the developer has thoughtfully planned the project and has made efforts to minimize the possible impacts of the project for landowners and neighbors. (Exhibit 13).

39. On April 3, 2007, Mr. Helmer Bauer submitted comments in support of the Kenyon Wind project. Mr. Bauer indicated that he would gladly host all 9 (nine) turbines. (Exhibit 14).

40. On April 10, 2007, CFERS, LLC, filed a Contested Case Hearing request. The Commission denied the request and referred the request to the DOC as a public comment at the May 3, 2007, agenda meeting. The PUC Order denying the request was issued on May 15, 2007. (Exhibit 15).

41. On April 11, 2007, Mr. Tom Wind, Jefferson, IA, a consulting engineer to wind developers, submitted comments indicating that he reviewed siting and layout drawings for the Kenyon Wind project. Mr. Wind expressed his support for the Kenyon Wind project and described his experience with the Suzlon Energy S-88 wind turbines proposed for the project. Mr. Wind commented on his experience with ice shedding at wind turbine facilities and recommended limiting regular human activity within 300 feet of turbines during icing conditions. (Exhibit 18). This issue is addressed in Finding 48.

42. On April 11, 2007, Nobles County Commissioner David Benson submitted written comments describing his 12 years of experience with wind development in southwestern Minnesota. Mr. Benson stated that he has never heard of complaints from people living near wind turbine facilities due to the adequacy of state siting setbacks. Benson indicated that the wind energy development in Nobles County has been a benefit to the area. (Exhibit 17).

43. On April 11, 2007, Kenyon Wind, LLC, filed written comments and documents responding to issues raised during the course of this proceeding. The comments responded to the following issues: property values, noise issues, visual issues, interference with communications services, concerns regarding lightning strikes, stray voltage, foundation design and decommissioning, security issues, C-BED compliance, involvement of Edison Mission Energy as its financing partner, participating landowners residing off-site, safety issues, farm impacts, compliance with Minnesota Rules, and siting near an existing transmission line. (Exhibit 16).

44. On April 11, 2007, Kenyon Wind, LLC, filed a report entitled "Appraisal Consulting Report Addressing the Kenyon Wind Farm Project." (Exhibit 19). The report investigated and analyzed the Kenyon Wind project's potential effects on neighboring property values. The report was conducted by LMH Appraisals, Inc., Fairbault, Minn. The report analyzed property transaction data near existing wind turbines in Rice and Dodge counties in Minnesota. The author(s) conclude:

> "In conclusion, I would like to say that based on my analysis of sales within a 1 miles radius considered to be in the view shed area having the greatest visual impact, no evidence could be found to support an adjustment to residential property values, either positive or negative.
>
> "My observations were supported through discussions with the Rice and Dodge County Assessors." (p. 17)

45. Pursuant to the PUC's Order of May 15, 2007, the DOC EFP staff has taken the CFERS, LLC, request into consideration as a public comment. CFERS raised a number of issues and made comments on the site permit application. As of May 31, 2007, CFERS has made no comments on the draft site permit in this proceeding. CFERS, LLC, raised the following general issues although aspects of several are outside the scope of the permitting process:
    1. Demographics
    2. Noise
    3. Visual Impacts
    4. Public Services and Infrastructure
    5. Geologic and Groundwater Resources
    6. Wildlife
    7. Stray Voltage and Ground Currents
    8. Status as a C-BED Project

The issues relevant to this proceeding raised by CFERS, LLC, are addressed in Findings 44, 47 – 90.

Site Criteria

46. Minnesota Statutes Chapter 216F and Minnesota Rules Chapter 4401 apply to the siting of Wind Energy Conversion Systems. The rules require applicants to provide a substantial amount of information to allow the PUC to determine the potential

environmental and human impacts of the proposed project and whether the project is compatible with environmental preservation, sustainable development, and the efficient use of resources. Minnesota Rules 4401.0450 and 4401.0600. The following analysis addresses the relevant criteria that are to be applied to a LWECS project.

Human Settlement, Public Health and Safety

47. The project site is zoned as an "Agricultural Protection District" by Goodhue County. The project area is low in population density, with little residential, commercial or industrial development on or near the site. As a result, the impact of the proposed LWECS on human settlement, public health and safety can be avoided. Permit condition III.C. specifies conditions for setbacks from residences and roads. The proposed wind turbine layout meets or exceeds those requirements.

48. In winter months ice may accumulate on the wind turbine blades when the turbines are stopped or operating very slowly. Furthermore, the anemometer may ice up at the same time, causing the turbine to shut down during any icing event. As weather conditions change, any ice will normally drop off the blades in relatively small pieces before the turbines resume operation. This is due to flexing of the blades and the blades' smooth surface. Although turbine icing is an infrequent event, it remains important that the turbines are not sited in areas where regular human activity is expected below the turbines or in the immediate proximity during the winter months. See site permit condition III.C. requiring a 500 foot minimum setback from residences and a 250 foot setback from roads.

49. There will be no displacement of existing residences or structures in siting the wind turbines and associated facilities.

50. The project is required to comply with the Federal Aviation Administration (FAA) requirements with respect to lighting and aviation safety. See site permit condition III.E.4.

51. Kenyon Wind, LLC, is required provide security during construction and operation of the project, including fencing, warning signs, and locks on equipment and facilities. Kenyon Wind, LLC, will also provide landowners and interested persons with safety information about the project prior to construction. See site permit conditions III.B.15-16.

52. Each wind turbine will be clearly marked to identify each unit and a map of the site shall be provided to local public safety authorities. The site permit requires the Permittee to prepare a fire protection and medical emergency plan in consultation with the local fire department prior to construction. See site permit conditions III.B.15 - 17.

Noise

53. Wind turbines generate noise. The Permittee is required to meet the Minnesota Pollution Control Agency's (MPCA) noise standards applicable to residential receptors. The

MPCA noise standard is found in Minnesota Rule 7030.0040. See site permit condition III.E.3.

54. The site permit requires wind turbine generators be sited at least 500 feet from occupied dwellings and at a sufficient distance from residential receivers to ensure the project meets the requirements of the state noise standards in Minnesota Rule 7030.0040. See site permit condition III.E.3.

55. On May 31, 2007, Suzlon Wind Energy, the manufacturer of the wind turbines proposed for this project, submitted results of its calculations used to predict noise levels at residential receivers based on the project layout. Suzlon Energy's calculations indicate that the project will meet state noise standards found in Minnesota Rules Chapter 7030. (Exhibit 24).

Visual Values

56. Wind turbines, towers and rotor blades have visual impacts. The visual impacts wind facility are highly subjective. Some people like the view of wind turbines, others do not. The Kenyon Wind Project will be visible to area residents and passing motorists on local, county and state highways.

57. The visual impact of the proposed Kenyon Wind, LLC, wind turbines will be reduced by the use of a neutral paint color. The only exterior lighting installed on the turbines will be those required by the FAA. All site permits issued by the PUC require the use of tubular towers; therefore, the turbine towers will be uniform in appearance.

58. Wind turbines will be a visual feature on the landscape near the project. The project site will retain its rural, agricultural character. The turbines and associated facilities necessary to convert the wind for energy are consistent with existing land use, wind energy production, and agricultural practices.

59. The Kenyon Wind project wind turbines will be the only wind turbines visible from the site upon construction. Other wind energy facilities may be proposed, permitted or built in the area in the future. Wind turbines have been installed and are operating in the nearby communities of Dodge Center and Northfield.

Recreational Resources

60. Recreational opportunities in Goodhue County include: hunting, fishing, snowmobiling, bird and wildlife watching, campgrounds and trails. There are no designated state or federal wildlife areas or parks located within the project boundary. Hunting, fishing and wildlife observation is permitted on private property in the area unless otherwise posted. The proposed turbines will be visible to persons recreating on lands inside and close to the project area. Wind turbine operations are not expected to affect the natural areas in any material way and no adverse impact on wildlife areas is expected.

Infrastructure

61. The Kenyon Wind, LLC, project is expected to have a minimal effect on the existing infrastructure. The proposed project will use underground cables for the collector lines primarily on private property within the wind farm. The feeder lines associated with the project may be overhead or underground, dependant on site conditions. Any above ground feeder lines, if used, would be wood or steel poles, 34.5 kV typical of wind project feeder lines used in other wind projects in Minnesota. The feeder lines will deliver the energy from the wind farm to the project substation. See site permit at III.E.7. and 8.

62. The project will require the use of public roads to deliver construction supplies and materials to the work site. Construction of turbine access roads will be located on private property. The access roads will be routed in a manner that minimizes disturbance of agricultural activities while maintaining a short, direct route. The typical permanent access road will be 16 feet in width and covered in Class 5 gravel (or similar material). The access roads will be low profile roads to allow for the movement of agricultural equipment. See site permit at III.B. 8 (b). During operation and maintenance of the wind plant, operation and maintenance crews, while inspecting and servicing the wind turbines, will use the access roads. Periodic grading or other methods are necessary to maintain road integrity. The Permittee may do this work or contract it out.

63. The Kenyon Wind project is not expected to affect railroads, telecommunication facilities, and radio reception. The presence or operation of the wind plant could potentially impact the quality of television reception in the area. Previous work on television reception issues indicates that in some cases new antennas or relocation of existing antennas can restore television signal strength reception. The Permittee is required to initiate a study to assess the strength of communications and television reception in the project area before project construction to document and mitigate any impacts that might occur. The Permittee shall be responsible for alleviating any disruption or interference to communications systems caused by the turbines or associated infrastructure. See site permit at III.D.3.

64. Construction, operation, and maintenance of the proposed wind plant shall comply with all of the required federal and state permit requirements.

Community Benefits

65. The Kenyon Wind Project will provide local tax revenues from a production tax on the wind energy produced by the turbines. No significant adverse impact on public services is expected. Wear and tear on roads will occur as a result of the transport of heavy equipment and other materials, and the Permittee is responsible for any necessary reparis. See site permit at III.B.8. Landowners with turbine(s) or associated infrastructure on their property will receive payments from Kenyon Wind, LLC, for wind rights and land easements.

66. To the extent that local workers and local contractors are capable, qualified, and available, Kenyon Wind, LLC, may hire them to construct the proposed project. The hiring of local people will expand employment opportunities in this area of the state and keep money in the local economy. Once constructed, the project will be staffed with site technicians and a wind plant supervisor. Short term construction spending will provide local economic benefits. Long term operations, maintenance, production taxes, and lease payments will also have positive local economic benefits.

Effects on Land-Based Economies

67. The project will permanently displace approximately 55 acres of agricultural land. Site permit conditions III.B. 2., 3., 4., 5., 6., 7., 8(c), 9., and 10 address mitigation measures for agricultural lands. The project does not affect any sand or gravel operations.

Archaeological and Historical Resources

68. The Kenyon Wind, LLC, site permit Application and Amended Application indicate that the Applicant has consulted with and reviewed the Minnesota State Historic Preservation Office (SHPO) computer database for the project area, which indicates that no historic structures and no archaeological resources have been documented inside the boundaries of or within 1 mile of the project. Kenyon Wind, LLC, will conduct a cultural resources field survey of all the proposed turbine locations, access roads, and other construction elements to document any previously unrecorded archaeological sites within the project site. The site permit at III.D.2. requires Kenyon Wind, LLC, to consult with the SHPO upon completion of cultural resources surveys.

69. If any archaeological sites are found during surveys or construction, their integrity and significance would be addressed in terms of the site's potential eligibility for placement on the National Register of Historic Places (NRHP). If such sites are found to be eligible for the NRHP, appropriate mitigation measures will be developed in consultation with SHPO, the State Archaeologist, and consulting American Indian communities. The site permit also requires the Permittee to stop work and notify the Minnesota Historical Society and PUC if any unrecorded cultural resources are found during construction. See the site permit at III.D.2.

Animals and Wildlife

70. Kenyon Wind, LLC, has consulted with the Minnesota Department of Natural Resources (DNR) about the project’s design and mitigation measures on natural communities, fish and wildlife. The DNR Natural History Database was reviewed to determine if any rare plant or animal species are known to occur within the project boundary. The DNR indicated that 11 known occurrences of rare or protected species within 1 mile of the project boundary. Nearly all of the species identified occurred on the banks of or in the North Fork Zumbro River at freshwater mussel sampling sites, which appear to be outside of the project boundary described on page 19 of the Amended Application (Exhibits 3 and 24).

71. Neither construction nor operation of the project is expected to significantly impact wildlife. Based on studies of existing wind power projects in the United States and Europe, the only impact of concern to wildlife would primarily be to avian and bat populations. The final report on avian monitoring studies at Buffalo Ridge, Minnesota "Final Report-Avian Monitoring Studies at the Buffalo Ridge, Minnesota Resource Area: Results of a 4-Year Study" (September 2000) identified the following impacts:

    a) Following construction of the wind turbines, there is a reduction in the use of the area within 100 meters of the turbines by seven of 22 species of grassland breeding birds. It was hypothesized that lower avian use may be associated with avoidance of turbine noise, maintenance activities, and less available habitat. The researchers stated "on a large scale basis, reduced use by birds associated with wind power development appears to be relatively minor and would not likely have any population consequences on a regional level."(p. 44)

    b) Avian mortality appears to be low on Buffalo Ridge, compared to other wind facilities in the United States, and is primarily related to nocturnal migrants. Resident bird mortality is very low and involves common species. The researchers stated that "based on the estimated number of birds that migrate through Buffalo Ridge each year, the number of wind plant related avian fatalities at Buffalo Ridge is likely inconsequential from a population standpoint." (p. iv)

72. Bat mortality was also studied at Buffalo Ridge, instigated by bat collision victims found during the avian monitoring studies. The bat study was conducted in 2001 and 2002. ("Bat Interactions with Wind Turbines at the Buffalo Ridge, Minnesota Wind Resource Area," November 2003). The overall conclusion is that bat activity at turbines and the numbers of bat fatalities do not share a statistical relationship. Bat collisions were found to be very rare, given the amount of bat activity documented at the turbines. Most fatalities involved migrating bats, a wind-plant related mortality "is possibly not sufficient to cause significant, large-scale population declines." (p. 61)

73. Mitigation measures are also prescribed in the site permit and include but are not limited to: a) a pre-construction inventory of existing biological resources, native prairie, state listed and threatened species and wetlands in the project area; b) landowner approval will be negotiated prior to any removal of trees during construction; c) sound water and soil conservation practices will be implemented during construction and operation of the project to protect topsoil and adjacent resources and to minimize soil erosion.

Vegetation

74. Removal of groves of trees or shelterbelts will be minimized. Native prairie is not known to be present at the site; however, it will be avoided if encountered. The site permit, at III.C.6. provides for preparation of a prairie protection and management plan if prairie remnants are discovered on the site.

Soils

75. Construction of the wind turbines and access roads increases the potential for erosion during construction and converts small amounts of farmland to industrial use. The site permit at III.B.9. requires a soil erosion and sediment control plan, which can be the same as the plan submitted to the MPCA for its storm water runoff permit application. See site permit at III.B.9.

Wetlands

76. No towers, access roads or utility lines will be located in or will cross Public Waters wetlands, unless permitted by the DNR. See site permit at III.C.5.

77. The Permittee has and will work with landowners and drain tile contractors to determine or predict the location of drain tile lines. Impacts to drain tile will be avoided. (Exhibit 24). Any impacts to drain tile will be promptly repaired by the Permittee, unless otherwise negotiated with the landowner. See site permit at III.A.6.

Future Development and Expansion

78. While large-scale wind energy projects have occurred elsewhere (California and Iowa), little systematic study of the cumulative impact has occurred. Research on the total impact of many different projects in one area has not occurred. DOC EFP staff continues to monitor for cumulative impacts and issues related to wind energy development.

79. The PUC and DOC anticipate more site permit applications under Minnesota Statutes Chapter 216F. The PUC is responsible for siting of LWECS "in an orderly manner compatible with environmental preservation, sustainable development, and the efficient use of resources." Minnesota Statutes section 216F.03.

80. Minnesota Statute 216E.03, subd. 7, requires consideration of design options that might minimize adverse environmental impacts. Turbines must also be sited to minimize noise and aesthetic impacts. Buffers between strings of turbines are designed to protect the turbines' production potential. The site permit also provides for buffers between adjacent wind energy projects to protect production potential. See site permit at III.C.1.

81. The location and spacing of the turbines are critical to the issues of orderly development and the efficient use of wind resources. Turbines are likely to be located in the best winds, and the spacing dictates, among other factors, how much land area the project occupies.

82. One efficiency issue is the loss of wind in the wake of turbines. Wind flow behind the turbine is not as fast and is more turbulent than the free-flowing wind. This condition persists for some distance behind the turbine as normal wind flow is gradually restored. If a turbine is spaced too close downwind of another turbine, it produces less energy and

is less cost-effective. This is the wake loss effect. If the spacing is too far, wind resources are wasted and the projects' footprint on the land is unnecessarily large.

83. For this project, turbine spacing maximizes use of the available wind resources and minimizes wake and array losses within the topographical context of the site. The objective is to capture the most net energy possible from the best available wind resource. Given the predominant southerly and northwesterly winds at this site, the spacing between turbines is greatest in the north-south direction for this project. (Exhibit 1, 4, 24).

Maintenance

84. Maintenance of the turbines will be on a scheduled, rotating basis. Additional unscheduled maintenance will be conducted on an as needed basis. Maintenance on the interconnection points will be coordinated with Xcel Energy. The Kenyon Wind, LLC, project will be staffed with site technicians and a wind plant supervisor. Kenyon Wind, LLC, does not anticipate building a facility to house the operation and maintenance efforts for the project.

Site Restoration

85. Decommissioning and site restoration activities will include (1) removal of all turbines and towers; (2) removal of all pad mounted transformers; (3) removal of all above-ground distribution facilities; (4) removal of foundations to a depth of four (4) feet below grade; and (5) removal of surface road material and restoration of the roads and turbine sites to previous conditions to the extent feasible. See site permit conditions III.G.1-3.

Decommissioning Economics

86. Kenyon Wind, LLC, will be responsible for all costs to decommission the project and associated facilities. Decommissioning will be completed within 18 months from the time this site permit expires or the facility ceases to operate whichever is earlier. See site permit at III.G.

87. The site permit requires Kenyon Wind, LLC, to submit a decommissioning plan to the PUC prior to construction describing how the Permittee will ensure that the resources are available to pay for decommissioning the project at the appropriate time. The PUC may request the Permittee file a report at anytime describing how it is fulfilling this obligation. See site permit at III.G.

Site Permit Conditions

88. Nearly all of the conditions contained in the site permit were established as part of the site permit proceedings of other wind turbine projects permitted by the Environmental Quality Board and the Public Utilities Commission. Minor changes that provide for clarifications of the draft site permit conditions have been made.

89. The proposed Kenyon Wind, LLC, project meets the site permit setback requirements from existing wind turbines and lands to which Kenyon Wind, LLC, does not hold wind rights.

90. The site permit contains conditions that apply to site preparation, construction, cleanup, restoration, operation, maintenance, abandonment, decommissioning and all other aspects of the Project.

Based on the foregoing findings, the Minnesota Public Utilities Commission makes the following:

CONCLUSIONS OF LAW

1. Any of the foregoing findings, which more properly should be designated as conclusions, are hereby adopted as such.

2. The Kenyon Wind, LLC, application for a site permit was properly filed and noticed as required by Minnesota Statute 216F.04 and Minnesota Rule 4401.0460 subp. 2 and 4401.0550 subp. 2.

3. The Minnesota Public Utilities Commission has afforded all interested persons an opportunity to participate in the development of the site permit and has complied with all applicable procedural requirements of Minnesota Statutes Chapter 216F and Minnesota Rules Chapter 4401.

4. The Commission concludes that the 3 RD east-west and 5 RD north-south project boundary set back adequately protects the wind and property rights of persons outside the project boundary and/or persons within the project boundary but not participating the Kenyon Wind, LLC, project.

5. The Minnesota Public Utilities Commission has jurisdiction under Minnesota Statutes section 216F.04 over the site permit applied for by Kenyon Wind, LLC.

6. The Kenyon Wind, LLC, LWECS project will not create significant human or environmental impacts and is compatible with environmental preservation, sustainable development, and the efficient use of resources.

7. The Minnesota Public Utilities Commission has the authority under Minnesota Statutes Chapter 216F and Minnesota Rules Chapter 4401 to establish conditions in site permits relating to site layout, construction, operation and maintenance of an LWECS. The conditions contained in the site permit issued to Kenyon Wind, LLC, are appropriate, necessary and within the Minnesota Public Utilities Commission's authority.

Based on the foregoing Findings of Fact and Conclusions of Law, the Minnesota Public Utilities Commission issues the following:

ORDER

The attached site permit is hereby issued to Kenyon Wind, LLC, for an 18.9 MW Large Wind Energy Conversion System in Goodhue County, Minnesota. The site permit issued by the PUC authorizes Kenyon Wind, LLC, to construct and operate the proposed LWECS and associated facilities in accordance with the conditions contained in the site permit and in compliance with Minnesota Statutes Chapter 216F and with Minnesota Rules Chapter 4401.

Approved and adopted this _____ day of June, 2007.

BY ORDER OF THE COMMISSION

_____

Burl W. Haar,
Executive Secretary

SITE PERMIT FOR

KENYON WIND, LLC

LARGE WIND ENERGY CONVERSION SYSTEM

IN
GOODHUE COUNTY

ISSUED TO

KENYON WIND, LLC

PUC DOCKET NO. IP 6605/WS-06-1445

In accordance with Minnesota Statutes, section 216F.04 this draft Site Permit is hereby issued to:

KENYON WIND, LLC

Kenyon Wind, LLC, is authorized to construct and operate a 18.9-Megawatt Large Wind Energy Conversion System on the site identified in this Site Permit and in compliance with the conditions contained in this Permit.

This Permit shall expire on December 31, 2037

Dated: June 14, 2007

BY ORDER OF THE COMMISSION

_____

BURL W. HAAR
Executive Secretary

(S E A L)

This document can be made available in alternative formats (i.e., large print or audio tape) by calling 651-201-2202 (Voice), 651-297-1200 (TTY).

Table of Contents

I. SITE PERMIT

This Site Permit for a Large Wind Energy Conversion System (LWECS) authorizes Kenyon Wind, LLC (hereinafter "Permittee") to construct a 18.9-Megawatt (MW) LWECS and associated facilities known as the Kenyon Wind project in Goodhue County, on a site of approximately 7,000 acres in accordance with the conditions contained in this Permit. The site boundary is shown on the map that is attached hereto.

II. PROJECT DESCRIPTION

The LWECS authorized to be constructed in this Permit is referred to as Kenyon Wind project and will be owned and operated by Kenyon Wind, LLC. The project will consist of up to 9 Suzlon Energy S88, 2.1 MW wind turbines with a combined nominal nameplate capacity of 18.9-Megawatts. Turbines are interconnected by communication and electrical power collection facilities within the wind farm. These facilities will include transformers and underground collector lines, and feeder lines that will deliver wind-generated power to the Kenyon Wind project substation located in Section 13 of Kenyon Township in Goodhue County.

III. CONDITIONS

The following conditions shall apply to site preparation, construction, cleanup, restoration, operation, maintenance, abandonment, decommissioning and all other phases of the LWECS. The PUC preserves all available remedies for violation of any of these Permit conditions, including revocation or modification of the Permit.

A. GENERAL CONSTRUCTION CONDITIONS

1. SITE PLAN

Prior to commencing construction, the Permittee shall submit to the PUC or Commission a site plan for all turbines, roads, electrical equipment, collector and feeder lines and other associated facilities to be constructed and engineering drawings for site preparation, construction of the facilities, and a plan for restoration of the site due to construction. The Permittee may submit a site plan and engineering drawings for only a portion of the LWECS if the Permittee is prepared to commence construction on certain parts of the project before completing the site plan and engineering drawings for other parts of the LWECS. The Permittee shall have the right to move or relocate turbine sites due to the discovery of environmental conditions during construction, not previously identified, which by law or pursuant to this Permit would prevent such use. The Permittee shall notify the PUC of any turbines that are to be relocated before the turbine is constructed on the new site.

2. FIELD REPRESENTATIVE

Prior to the start of construction and continuously throughout construction and site restoration, the Permittee shall designate a field representative responsible for overseeing compliance with the conditions of this Permit. This person (or a designee) shall be accessible by telephone during normal business hours. This person's address, phone number and emergency phone number shall be provided to the PUC, who may make the number available to local residents and officials and other interested persons. The Permittee may change the field representative by notification to the PUC.

3. PRECONSTRUCTION MEETING

Prior to the start of any construction, the Permittee shall conduct a preconstruction meeting with the person designated by the PUC to coordinate field monitoring of construction activities.

4. NOTICE OF PERMIT CONDITIONS

The Permittee shall inform all employees, contractors, and other persons involved in the construction and ongoing operation of the LWECS of the terms and conditions of this Permit.

B. MITIGATION MEASURES

1. SITE CLEARANCE

The Permittee shall disturb or clear the site only to the extent necessary to assure suitable access for construction, safe operation, and maintenance of the LWECS.

2. TOPSOIL PROTECTION

The Permittee shall implement measures to protect and segregate topsoil from subsoil in cultivated lands unless otherwise negotiated with the affected landowner.

3. COMPACTION

The Permittee shall implement measures to minimize compaction of all lands during all phases of the project's life and shall confine compaction to as small an area as practicable.

4. LIVESTOCK PROTECTION

The Permittee shall take precautions to protect livestock during all phases of the project's life.

5. FENCES

The Permittee shall promptly replace or repair all fences and gates removed or damaged during all phases of the project's life unless otherwise negotiated with the affected landowner. When the Permittee installs a gate where electric fences are present, the Permittee shall provide for continuity in the electric fence circuit.

6. DRAINAGE TILE

The Permittee shall take into account, promptly repair or replace all drainage tiles broken or damaged during all phases of the project's life unless otherwise negotiated with the affected landowner.

7. EQUIPMENT STORAGE

The Permittee shall not locate temporary equipment staging areas for site construction and restoration on cultivated land unless otherwise negotiated with the affected landowner. Temporary staging areas shall not be located in wetlands or native prairie.

8. ROADS

(a) Public Roads

Prior to commencement of construction, the Permittee shall identify all state, county or township roads that will be used for the LWECS project and shall notify the PUC and the state, county or township governing body having jurisdiction over the roads to determine if the governmental body needs to inspect the roads prior to use of these roads. Where practical, existing roadways shall be used for all activities associated with the LWECS. Where practical, all-weather roads shall be used to deliver cement, turbines, towers, assembled nacelles and all other heavy components to and from the turbine sites.

The Permittee shall, prior to the use of such roads, make satisfactory arrangements with the appropriate state, county or township governmental body having jurisdiction over roads to be used for construction of the LWECS for maintenance and repair of roads that will be subject to extra wear and tear due to transportation of equipment and LWECS components. The Permittee shall notify the PUC of such arrangements upon request of the PUC.

(b) Turbine Access Roads

The Permittee shall construct the smallest number of turbine access roads it can. Access roads shall be low profile roads so that farming equipment can cross them and shall be covered with Class 5 gravel or similar material. When access roads are constructed across streams and drainage ways, the access roads shall be designed in a manner so

runoff from the upper portions of the watershed can readily flow to the lower portion of the watershed.

(c) Private Roads

The Permittee shall promptly repair private roads or lanes damaged when moving equipment or when obtaining access to the site, unless otherwise negotiated with the affected landowner.

9. SOIL EROSION AND SEDIMENT CONTROL

The Permittee shall develop a Soil Erosion and Sediment Control Plan prior to construction and submit the Plan to the PUC. This Plan may be the same plan submitted to the Minnesota Pollution Control Agency as part of a storm water runoff permit application. A goal of the Soil Erosion and Sediment Control Plan is to minimize soil erosion, to revegetate non-cropland and range areas disturbed by construction with wildlife conservation species, and wherever possible, to plant appropriate native species in cooperation with landowners.

The Soil Erosion and Sediment Control Plan shall address what types of erosion control measures will be implemented during each project phase, and shall at a minimum identify plans for grading, construction and drainage of roads and turbine pads; necessary soil information; detailed design features to maintain downstream water quality; a comprehensive re-vegetation plan to maintain and ensure adequate erosion control and slope stability and to restore the site after temporary project activities; and measures to minimize the area of surface disturbance. Other practices shall include containing excavated material, protecting exposed soil, and stabilizing restored material and removal of silt fences or barriers when the area is stabilized. The plan shall identify methods for disposal or storage of excavated material. Erosion and sedimentation control measures shall be installed prior to construction and maintained throughout the project's life.

10. CLEANUP

The Permittee shall remove all waste and scrap that is the product of construction, operation, restoration and maintenance from the site and properly dispose of it upon completion of each task. Personal litter, bottles, and paper deposited by site personnel shall be removed on a daily basis.

11. TREE REMOVAL

The Permittee shall minimize the removal of trees and the Permittee shall not remove groves of trees or shelter belts without notification to the PUC and the approval of the affected landowner.

12. RESTORATION

The Permittee shall, as soon as practical following construction of each turbine, considering the weather and preferences of the landowner, restore the area affected by any LWECS activities to the condition that existed immediately before construction began, to the extent possible. The time period may be no longer than eight months after completion of construction of the turbine. Restoration shall be compatible with the safe operation, maintenance, and inspection of the LWECS.

13. HAZARDOUS WASTE

The Permittee shall be responsible for compliance with all laws applicable to the generation, storage, transportation, clean up and disposal of hazardous wastes generated during any phase of the project's life.

14. APPLICATION OF HERBICIDES

The Permittee shall restrict herbicide use to those herbicides and methods of application approved by the Minnesota Department of Agriculture and the U.S. Environmental Protection Agency. Selective foliage or basal application shall be used when practicable. The Permittee shall contact the landowner or his designee to obtain approval for the use of herbicide prior to any application on their property. The landowner may request that there be no application of herbicides on any part of the site within the landowner's property. All herbicides shall be applied in a safe and cautious manner so as to not damage crops, orchards, tree farms, or gardens. The Permittee shall also, at least ten days prior to the application, notify beekeepers with an active apiary within one mile of the proposed application site of the day the company intends to apply herbicide so that precautionary measures may be taken by the beekeeper.

15. PUBLIC SAFETY

The Permittee shall provide educational materials to landowners within the site boundaries and, upon request, to interested persons, about the project and any restrictions or dangers associated with the LWECS project. The Permittee shall also provide any necessary safety measures, such as warning signs and gates for traffic control or to restrict public access.

16. FIRE PROTECTION

The Permittee shall prepare a fire protection and medical emergency plan in consultation with the fire department having jurisdiction over the area prior to LWECS construction. The Permittee shall submit a copy of the plan to the PUC upon request.

17. TOWER IDENTIFICATION

All turbine towers shall be marked with a visible identification number.

C. SETBACKS

1. WIND ACCESS BUFFER

Wind turbine towers shall not be placed less than 5 (five) rotor diameters from the perimeter of the site on the north-south axis and 3 (three) rotor diameters on the east-west axis where the Permittee does not hold the wind rights, without the approval of the PUC. Permittee acknowledges that properties within the project boundaries for which Permittee does not hold the wind rights will not be foreclosed from installing wind turbine generators on such property at a later date, even if such turbine generators cannot be installed on such property in compliance with the setbacks set forth in the first sentence of this section.

2. RESIDENCES

Wind turbine towers shall not be located closer than 500 feet from the nearest occupied dwelling.

3. ROADS

Wind turbine towers shall not be located closer than 250 feet from the edge of the nearest public road right-of-way.

4. WILDLIFE MANAGEMENT AREAS

Wind turbines and associated facilities including foundations, access roads, underground cable, and transformers, shall not be located in Waterfowl Protection Areas, State Wildlife Management Areas or Scientific and Natural Areas or in county parks. These areas may be used in establishing the wind access buffer required by paragraph III.C.1.

5. WETLANDS

Wind turbines and all associated facilities, including foundations, access roads, underground cable, and transformers, shall not be placed in public waters wetlands, as defined in Minnesota Statutes section 103G.005, subp. 15a.

6. NATIVE PRAIRIE

Upon request of the PUC, the Permittee shall, with the advice of the DNR and any others selected by the Permittee, prepare a prairie protection and management plan and submit it to the PUC and DNR Commissioner 60 days prior to the start of project construction.

The plan shall address steps to be taken to identify native prairie within the project area, measures to avoid impacts to native prairie, and measures to mitigate for impacts if unavoidable. Wind turbines and all associated facilities, including foundations, access roads, underground cable and transformers, shall not be placed in native prairie unless addressed in the prairie protection and management plan. Unavoidable impacts to native prairie shall be mitigated by restoration or management of other native prairie areas that are in degraded condition, or by conveyance of conservation easements, or by other means agreed to by the Permittee and PUC.

7. OTHER

Wind turbines and all associated facilities, including foundations, access roads, underground cable, and transformers shall not be located within active sand and gravel operations, unless otherwise negotiated with the owner of the sand and gravel operation.

D. PRECONSTRUCTION SURVEYS

1. BIOLOGICAL PRESERVATION SURVEY

The Permittee, in consultation with DNR and other interested parties, shall conduct a pre-construction inventory of existing wildlife management areas, scientific and natural areas, recreation areas, native prairies and forests, wetlands, and any other biologically sensitive areas within the site and assess the presence of state- or federally-listed or threatened species. The results of the survey shall be submitted to the PUC and DNR prior to the commencement of construction.

2. ARCHAEOLOGICAL RESOURCES

The Permitee shall work with the State Historic Preservation Office (SHPO) at the Minnesota Historical Society (MHS) and the State Archaeologist as early as possible in the planning process to determine whether an archaeological survey is recommended for any part of the proposed project. The Permitee will contract with a qualified archaeologist to complete such surveys, and will submit the results to the PUC, the SHPO and the State Archaeologist. The SHPO and the State Archaeologist will make recommendations for the treatment of any significant archaeological sites which are identified. Any issues in the implementation of these recommendations will be resolved by PUC in consultation with SHPO and the State Archaeologist. In addition, the Permitee shall mark and preserve any previously unrecorded archaeological sites that are found during construction and shall promptly notify the SHPO, the State Archaeologist, and the PUC of such discovery. The Permitee shall not excavate at such locations until so authorized by the PUC in consultation with the SHPO and the State Archaeologist. If human remains are encountered during construction, the Permitee shall immediately halt construction at that location and promptly notify local law enforcement authorities and the State Archaeologist. Construction at the human remains location shall not proceed until authorized by local law enforcement authorities or the State Archaeologist.

If any federal funding, permit or license is involved or required, the Permittee shall notify the MHS as soon as possible in the planning process to coordinate section 106 (36 C.F.R 800) review.

Prior to construction, construction workers shall be trained about the need to avoid cultural properties, how to identify cultural properties, and procedures to follow if undocumented cultural properties, including gravesites, are found during construction. If any archaeological sites are found during construction, the Permittee shall immediately stop work at the site and shall mark and preserve the site and notify the PUC and the MHS about the discovery. The PUC and the MHS shall have three working days from the time the agency is notified to conduct an inspection of the site if either agency shall choose to do so. On the fourth day after notification, the Permittee may begin work on the site unless the MHS has directed that work shall cease. In such event, work shall not continue until the MHS determines that construction can proceed.

3. ELECTROMAGNETIC INTERFERENCE

Within 60 days after issuance of this Permit, the Permittee shall submit a plan to the PUC for conducting an assessment of television signal reception and microwave signal patterns in the project area prior to commencement of construction of the project. The assessment shall be designed to provide data that can be used in the future to determine whether the turbines and associated facilities are the cause of disruption or interference of television reception or microwave patterns in the event residents should complain about such disruption or interference after the turbines are placed in operation. The assessment shall be completed prior to operation of the turbines. The Permittee shall be responsible for alleviating any disruption or interference of these services caused by the turbines or any associated facilities.

The Permittee shall not operate the LWECS and associated facilities so as to cause microwave, television, radio, telecommunications or navigation interference contrary to Federal Communications Commission (FCC) regulations or other law. In the event the LWECS and its associated facilities or its operations cause such interference, the Permittee shall take timely measures necessary to correct the problem.

E. SITE LAYOUT RESTRICTIONS

1. WIND TURBINE TOWERS

Structures for wind turbines shall be self-supporting tubular towers. The towers shall not be more than 262 feet (80 meters) above grade.

2. METEOROLOGICAL TOWERS

Permanent towers up to 100 feet high for meteorological equipment shall be free standing. Temporary meteorological towers, which are those that will be removed after completion of construction, and all meteorological towers over 100 feet high may be

guyed if the landowner has given written permission and the guys are properly marked with safety shields.

3. NOISE

The wind turbine towers shall be placed such that the Permittee shall comply with noise standards established as of the date of this permit by the Minnesota Pollution Control Agency (PCA) at all times at all appropriate locations. Turbines shall be moved or modified or removed from service if necessary to comply with this condition. The Permittee or its contractor may install and operate turbines, as close as the minimum setback required in this Permit but in all cases shall comply with PCA standards. The Permittee shall be required to comply with this condition with respect to all resiendtial receivers or other receivers in place as of the time of construction, but not with respect to such receivers built after construction of the towers.

4. FEDERAL AVIATION ADMINISTRATION

Towers shall be marked as required by the Federal Aviation Administration (FAA). There shall be no lights on the towers other than what is required by the FAA. This restriction shall not apply to infrared heating devices used to protect the wind monitoring equipment.

5. TURBINE SPACING

The turbine towers shall be constructed within the site as shown on the map attached as Exhibit 1. The turbine towers shall be spaced no closer than rotor diameters 3 (RD) for crosswind spacing (distance between turbines) and 5 RD downwind spacing (distance between strings of turbines). If required during final micro siting of the turbine towers to account for topographic conditions, up to 2 towers may be sited closer than the above spacing but the Permittee shall minimize the need to site the turbine towers closer.

6. FOOTPRINT MINIMIZATION

The Permittee shall design and construct the LWECS so as to minimize the amount of land that is impacted by the LWECS. Associated facilities in the vicinity of turbines such as electrical/electronic boxes, transformers and monitoring systems shall, to the greatest extent feasible, be mounted on the foundations used for turbine towers or inside the towers unless otherwise negotiated with the affected landowner.

7. ELECTRICAL CABLES

The Permittee shall place electrical lines, known as collectors, and communication cables underground when located on private property. Collectors and cables shall also be placed within or adjacent to the land necessary for turbine access roads unless otherwise negotiated with the affected landowner. This paragraph does not apply to feeder lines.

8. FEEDER LINES

The Permittee shall place 34.5 kV electric lines, known as feeders, on public rights-of-way if a public right-of-way exists or the Permittee may place feeders on private property. A change in feeder line locations may be made as long as feeders remain on public rights-of-way and approval has been obtained from the governmental unit responsible for the affected right-of-way. When placing feeders on private property, the Permittee shall place the feeder in accordance with the easement negotiated with the affected landowner. Not withstanding any of the requirements in paragraph III.D. to conduct surveys before any construction can commence, the Permittee may begin immediately upon issuance of this permit to construct the 34.5 kV feeder lines that will be required as part of this project. The Permittee shall submit the site plan and engineering drawings required under paragraph III.A.1. for the feeder lines before commencing construction. Any guy wires on the structures for feeder lines shall be marked with safety shields.

The Permittee must fulfill, comply with, and satisfy all Institute of Electrical and Electronics Engineers, Inc. (IEEE) standards applicable to this project, including but not limited to IEEE 776, IEEE 519, and IEEE 367, provided the telephone service provider(s) have complied with any obligations imposed on it pursuant to these standards. Upon request by the PUC, the Permittee shall report to the PUC on compliance with these standards.

F. STUDIES

1. WAKE LOSS STUDIES

The Permittee shall provide to the PUC with the site plan required by paragraph III.A.1., the preconstruction micro siting analysis leading to the final tower locations and an estimate of total project wake losses. The Permittee shall provide to the PUC any operational wake loss studies conducted on this project.

2. NOISE

On request of the PUC, the Permittee shall submit a proposal to the PUC for the conduct of a noise study. Upon the approval of the PUC the Permittee shall carryout the study. The study shall be designed to determine the noise levels at various distances from the turbines at various wind directions and speeds.

G. DECOMMISSIONING/RESTORATION/ABANDONMENT

1. DECOMMISSIONING PLAN

Prior to commencement of construction, the Permittee shall submit to the PUC a Decommissioning Plan describing the manner in which the Permittee anticipates decommissioning the project in accordance with the requirements of Minn. Rules part

4401.0450, subp.13. The Permittee shall ensure that it carries out its obligations to provide for the resources necessary to fulfill its requirements to properly decommission the project at the appropriate time. The PUC may at any time request the Permittee to file a report with the PUC describing how the Permittee is fulfilling this obligation.

2. SITE RESTORATION

Upon expiration of this Permit, or upon earlier termination of operation of the LWECS, the Permittee shall have the obligation to dismantle and remove from the site all towers, turbine generators, transformers, overhead and underground cables, foundations, buildings and ancillary equipment to a depth of four feet. To the extent possible the Permittee shall restore and reclaim the site to its pre-project topography and topsoil quality. All access roads shall be removed unless written approval is given by the affected landowner requesting that one or more roads, or portions thereof, be retained. Any agreement for removal to a lesser depth or for no removal shall be recorded with the county and shall show the locations of all such foundations. All such agreements between the Permittee and the affected landowner shall be submitted to the PUC prior to completion of restoration activities. The site shall be restored in accordance with the requirements of this condition within 18 months after expiration.

3. ABANDONED TURBINES

The Permittee shall advise the PUC of any turbines that are abandoned prior to termination of operation of the LWECS. The PUC may require the Permittee to decommission any abandoned turbine.

H. REPORTING

1. PROJECT ENERGY PRODUCTION

The Permittee shall, by July 15 of each year, report to the PUC on the monthly energy production of the project and the average monthly wind speed collected at one permanent meteorological tower selected by the PUC during the preceding year or partial year of operation. The report shall include copies of any project production reports filed with the Midwest Area Power Pool (MAPP), the Federal Energy Regulatory Commission (FERC), or any other public regulatory agency. The Permittee shall describe the operational status and availability of the Project and any major outages, major repairs, or turbine performance improvements occurring in the previous year.

2. WIND RESOURCE USE

Within three months after commercial operation begins, the Permittee shall provide the PUC with viewer access to its supervisory control and data acquisition (SCADA) system to allow the PUC convenient review of the following average hourly data for each hour of commercial operation in printed format or electronic format capable of computerized analysis as specified by the PUC:

(a) The power output of each turbine;

(b) The wind speed and direction measured at all monitored heights at any temporary and permanent meteorological towers, connected to the SCADA system, owned or operated by the Permittee, in or within three miles of the project site boundary; and

(c) Temperature and any other meteorological parameters recorded at one permanent meteorological tower selected by the PUC.

Once the Permittee provides the initial access, the PUC shall be responsible for maintaining the remote viewer connection. The Permittee shall not be in violation of this Permit if remote connection is lost or the SCADA system goes down. In the event the PUC is not provided access to the SCADA system, the Permittee shall file a quarterly report (due January 15, April 15, July 15, and October 15) with the PUC with the same data specified above. After two years of commercial operation, the PUC may reduce or eliminate the requirements of this condition. The provisions of paragraph III.K.5. shall apply to the PUC's review of this data.

3. EXTRAORDINARY EVENTS

Within 24 hours of an occurrence, the Permittee shall notify the PUC of any extraordinary event. Extraordinary events include but shall not be limited to: fires, tower collapse, thrown blade, collector or feeder line failure, injured LWECS worker or private person, kills of threatened or endangered species, or discovery of an unexpectedly large number of dead birds or bats of any variety on site. In the event of extraordinary avian mortality the DNR shall also be notified within 24 hours. The Permittee shall, within 30 days of the occurrence, submit a report to the PUC describing the cause of the occurrence and the steps taken to avoid future occurrences.

4. COMPLAINTS

Prior to the start of construction, the Permittee shall submit to the PUC the company's procedures to be used to receive and respond to complaints. The Permittee shall report to the PUC all complaints received concerning any part of the LWECS in accordance with the procedures provided in Exhibit 2 attached to this Permit.

I. FINAL CONSTRUCTION

1. AS-BUILT PLANS AND SPECIFICATIONS

Within 60 days after completion of construction, the Permittee shall submit to the PUC a copy of the as-built plans and specifications. The Permittee must also submit this data in a geographic information system (GIS) compatible format so that the PUC can place it

into the Land Management Information Center's geographic date clearinghouse located in the Office of Geographic and Demographic Analysis.

2. FINAL BOUNDARIES

After completion of construction, the PUC may determine a need to adjust the final boundaries of the site required for this project. If done, this Permit may be modified, after notice and opportunity for public hearing, to represent the actual site required by the Permittee to operate the project authorized by this Permit.

3. EXPANSION OF SITE BOUNDARIES

No expansion of the site boundaries described in this Permit shall be authorized without the approval of the PUC. The Permittee may submit to the PUC a request for a change in the boundaries of the site for the LWECS. The PUC will respond to the requested change in accordance with applicable statutes and rules.

J. AUTHORITY TO CONSTRUCT LWECS

1. WIND RIGHTS.

The Permittee shall advise the PUC of the obtaining of exclusive wind rights within the boundaries of the LWECS authorized by this Permit within 30 days of receiving such wind rights. The Permittee shall submit documentation of such exclusive wind rights if requested by the PUC.

2. OTHER PERMIT APPLICATIONS.

Nothing in this Permit shall be construed to preclude any other person from seeking a site permit to construct a large wind energy conversion system in any area within the boundaries of the project covered by this Permit if the Permittee does not hold exclusive wind rights for such areas.

3. PREEMPTION OF OTHER LAWS

Pursuant to Minnesota Statutes 216F.07, this Site Permit shall be the only site approval required for the location of this project, and this Permit shall supersede and preempt all zoning, building, and land use rules, regulations, and ordinances adopted by regional, county, local, and special purpose governments. Nothing in this Permit shall release the Permittee from any obligation imposed by law that is not superseded or preempted by law.

4. POWER PURCHASE AGREEMENT

This Permit does not authorize construction of the project until the Permittee has obtained a power purchase agreement for the electricity to be generated by the project. In the

event the Permittee does not obtain a power purchase agreement by December 31, 2008, this Permit shall be null and void.

K. MISCELLANEOUS

1. PERIODIC REVIEW

The PUC shall initiate a review of this Permit and the applicable conditions at least once every five years. The purpose of the periodic review is to allow the PUC, the Permittee, and other interested persons an opportunity to consider modifications in the conditions of the Permit. No modification may be made except in accordance with applicable statutes and rules.

2. FAILURE TO COMMENCE CONSTRUCTION

If the Permittee has not completed the pre-construction surveys required in paragraph III.D. and commenced construction of the LWECS within two years of the issuance of this Permit, the Permittee must advise the PUC of the reason construction has not commenced. In such event, the PUC may determine whether this Permit should be revoked. No revocation of this Permit may be undertaken except in accordance with applicable statutes and rules, including Minnesota Statute 216E.14.

3. MODIFICATION OF CONDITIONS

After notice and opportunity for hearing, this Permit may be modified or amended for cause including but not limited to the following:

(a) Violation of any condition in this Permit;

(b) Endangerment of human health or the environment by operation of the facility: or

(c) Existence of other grounds established by rule.

4. REVOCATION OR SUSPENSION OF THE PERMIT

The PUC may take action to suspend or revoke this Permit upon the grounds that:

(a) A false statement was knowingly made in the application or in accompanying statements or studies required of the applicant, and a true statement would have warranted a change in the PUC's findings;

(b) There has been a failure to comply with material conditions of this Permit, or there has been a failure to maintain health and safety standards; or

(c) There has been a material violation of a provision of an applicable statute or rule or an order of the PUC.

In the event the PUC shall determine that it is appropriate to consider revocation or suspension of this Permit, the PUC shall proceed in accordance with the requirements of Minnesota Statute 216E.04 to determine the appropriate action. Upon a finding of any of the above, the PUC may require the Permittee to undertake corrective measures in lieu of having the Permit suspended or revoked.

5. PROPRIETARY INFORMATION

Certain information required to be submitted to the PUC under this Permit, including energy production and wake loss data, may constitute trade secret information or other type of proprietary information under the Data Practices Act or other law and is not to be made available by the PUC. The Permittee must satisfy requirements of applicable law to obtain the protection afforded by the law.

6. TRANSFER OF PERMIT

The Permittee may not transfer this Permit without the approval of the PUC. If the Permittee desires to transfer this Permit, the holder shall advise the PUC in writing of such desire. The Permittee shall provide the PUC with such information about the transfer as the PUC requires to reach a decision. The PUC may impose additional conditions on any new Permittee as part of the approval of the transfer.

7. OTHER PERMITS

The Permittee shall be responsible for acquiring any other federal, state, or local permits or authorizations that may be required to construct and operate a LWECS within the authorized site. The Permittee shall submit a copy of such permits and authorizations to the PUC upon request.

8. SITE MANAGER

The Permittee shall designate a Site Manager who shall be the contact person for the PUC to contact with questions about the LWECS. The Permittee shall provide the PUC with the name, address, and phone numbers of the project site manager prior to placing any turbine into operation. This information shall be maintained current by informing the PUC of any changes, as they become effective.

9. NOTICE TO LOCAL RESIDENTS

The Permittee shall, within ten working days of receipt of this Permit, send a copy of the Permit to the office of the auditor of each county in which the site is located and to the clerk of each city and township within the site boundaries. If applicable, the Permittee shall also, within 10 working days of issuance, send a copy of this Permit to each regional

development commission, local fire district, soil and water conservation district, watershed district, and watershed management district office with jurisdiction in the county where the site is located. Within 30 days of issuance of this Permit, the Permittee shall send a copy of the Permit to each affected landowner within the site. In no case shall the affected landowner receive the site permit less than five days prior to the start of construction on their property.

10. RIGHT OF ENTRY

The Permittee shall allow representatives of the PUC to perform the following, upon reasonable notice, upon presentation of credentials and at all times in compliance with the Permittee's site safety standards:

(a) To enter upon the facilities easement of the site property for the purpose of obtaining information, examining records, and conducting surveys or investigations.

(b) To bring such equipment upon the facilities easement of the property as is necessary to conduct such surveys and investigations.

(c) To sample and monitor upon the facilities easement of the property; and

(d) To examine and copy any documents pertaining to compliance with the conditions of this Permit.

11. MORE STRINGENT RULES

The PUC's issuance of this Site Permit does not prevent the future adoption by the PUC of rules or orders more stringent than those now in existence and does not prevent the enforcement of these more stringent rules and orders against the Permittee.

L. EXPIRATION DATE

This Permit shall expire on December 31, 2037.

MINNESOTA PUBLIC UTILITIES COMMISSION
COMPLAINT REPORT PROCEDURES FOR
LARGE WIND ENERGY CONVERSION SYSTEMS

1. Purpose

To establish a uniform and timely method of reporting complaints received by the Permittee concerning the Permit conditions for site preparation, construction, cleanup and restoration, and resolution of such complaints.

2. Scope

This reporting plan encompasses complaint report procedures and frequency.

3. Applicability

The procedures shall be used for all complaints received by the Permittee.

4. Definitions

Complaint - A statement presented by a person expressing dissatisfaction, resentment, or discontent as a direct result of the LWECS and associated facilities. Complaints do not include requests, inquiries, questions or general comments.

Substantial Complaint - Any complaints submitted to the Permittee in writing that, if substantiated, could result in Permit modification or suspension pursuant to the applicable regulations.

Person - An individual, partnership, joint venture, private or public corporation, association, firm, public service company, cooperative, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private, however organized.

5. Responsibilities

Everyone involved with any phase of the LWECS is responsible to ensure expeditious and equitable resolution of all complaints. It is therefore necessary to establish a uniform method for documenting and handling complaints related to this LWECS project. The following procedures will satisfy this requirement:

A. The Permittee shall document all complaints by maintaining a record of all applicable information concerning the complaint, including the following:

1. Name of the Permittee and project.
2. Name of complainant, address and phone number.
3. Precise property description or tract numbers (where applicable).
4. Nature of complaint.
5. Response given.
6. Name of person receiving complaint and date of receipt.
7. Name of person reporting complaint to the PUC and phone number.
8. Final disposition and date.

B. The Permittee shall assign an individual to summarize complaints for transmittal to the PUC.

6. Requirements

The Permittee shall report all complaints to the PUC according to the following schedule:

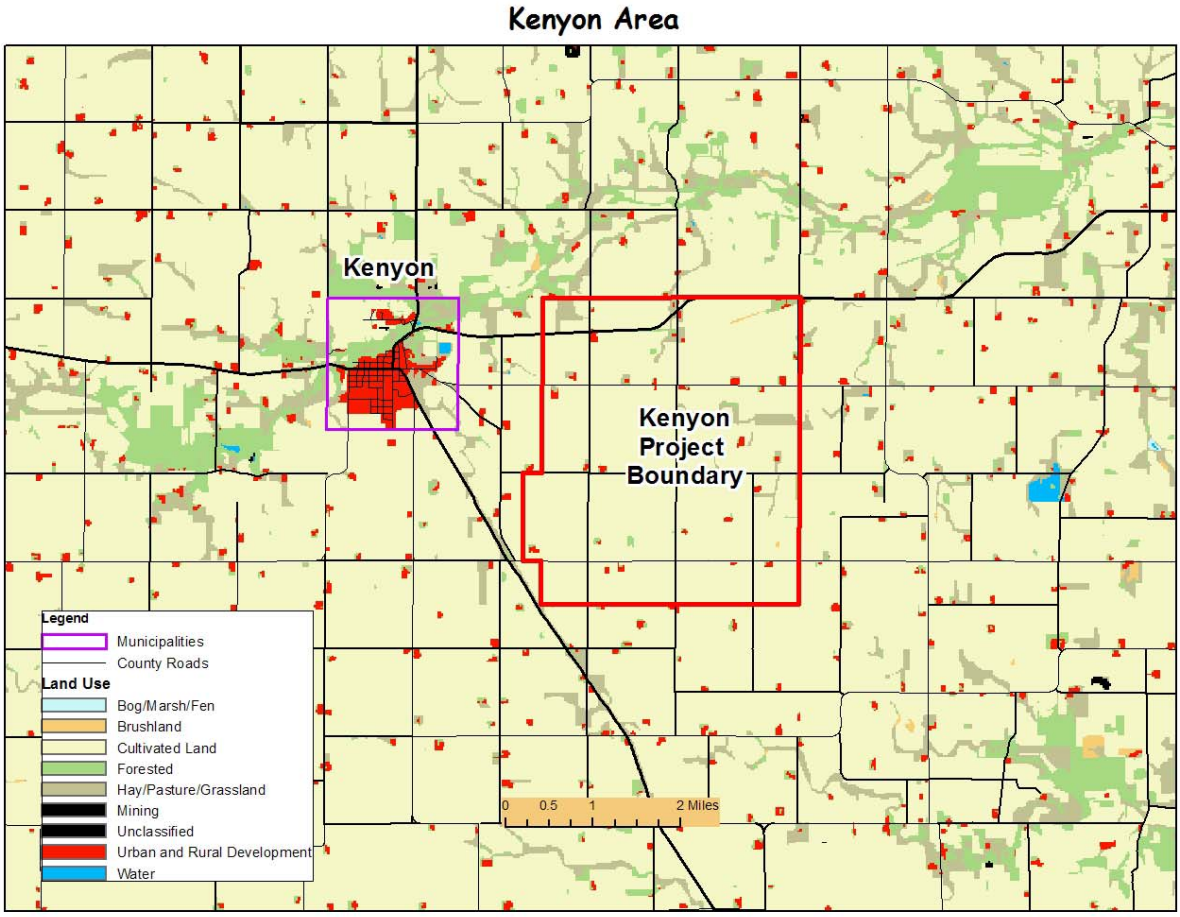
Immediate Reports - All substantial complaints shall be reported to the PUC by phone the same day received or on the following working day for complaints received after working hours. Such reports are to be directed to Wind Permit Compliance at the following: 651-296-2096 or 1-800-657-3794. Voice messages are acceptable.

Monthly Reports – By the 15th of each month, a summary of all complaints, including substantial complaints received or resolved during the proceeding month, and a copy of each complaint shall be sent to Wind Permit Compliance, Minnesota Department of Commerce, 85 7th Place East, Suite 500, St. Paul, MN 55101-2198.

7. Complaints Received by the PUC

Copies of complaints received directly by the PUC from aggrieved persons regarding site preparation, construction, cleanup, restoration, operation and maintenance shall be promptly sent to the Permittee.

Figure 4-1
(updated 1.25.07)



In the Matter of the Application of
Kenyon Wind, LLC, for
a Large Wind Energy Conversion System
Site Permit for an 18.9 Megawatt Wind Farm
in Goodhue County

EXHIBIT LIST
PUC DOCKET NO.
IP 6605/WS-06-1445

PUC Docket Number:
IP 6605/WS-06-1445

EXHIBIT	DATE	DESCRIPTION	
1.	12/18/2006	Kenyon Wind, LLC, Site Permit Application	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=3652629
2.	1/11/2007	DOC EFP Comments and Recommendations on Application Completeness	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4068471
3.	1/17/2007	PUC Order	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=3710633
4.	1/30/2007	Kenyon Wind, LLC, Amended Site Permit Application	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4068469

EXHIBIT	DATE	DESCRIPTION	
5.	1/30/2007	Kenyon Affidavit of Service	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=3758264
6.	2/8/2007	DOC EFP Comments and Recommendations	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=3769222
7.	2/12/2007	Comments of Mr. Mike Chase	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=3806499
8.	2/21/2007	PUC Order	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=3807778
9.	3/6/2007	Notice of Public Information Meeting and Affidavit of Service	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=3873521
10.	3/7/2007	Affidavit of Publication, Notice of Public Information Meeting Published in *Kenyon Leader*	
11.	3/12/2007	Notice of Public Information Meeting Published in *EQB Monitor*	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4068470
12.	3/23/2007	Public Comments of Jared Hope	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4031962
13.	3/23/2007	Public Comments of Mike and Debbie Hope	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4031963
14.	4/3/2007	Comments of Helmer Bauer	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4031964
15.	4/10/2007	Contested Case Hearing Request	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4018939

EXHIBIT	DATE	DESCRIPTION	
16.	4/11/2007	Comments of Kenyon Wind, LLC	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4020686
17.	4/11/2007	Comments of David Benson	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4020683
18.	4/11/2007	Comments of Tom Wind	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4020685
19.	4/11/2007	LMH Appraisals Report	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4020684
20.	4/25/2007	Reply Comments of Kenyon Wind	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4044685
21.	4/27/2007	DOC EFP Comments and Recommendations regarding Contested Case Hearing Request	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4044694
22.	4/30/2007	Corrected DOC EFP Comments and Recommendations regarding Contested Case Hearing Request	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4045190
23.	5/15/2007	PUC Order Denying Contested Case Hearing Request and Other Action	https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=4056651
24.	6/1/2007	DOC EFP Supplemental Information Filing	