

COMMENTS RECEIVED

BY

OFFICE OF ENERGY SECURITY  
ENERGY FACILITY PERMITTING

ON THE PROPOSED PERMIT AMENDMENT  
FOR KENYON WIND, LLC

IN  
GOODHUE COUNTY

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

NOVEMBER 19, 2010

Comments in response to Kenyon Wind LLC, Docket No IP-6605/WS-06-1445 and attachment from the Office of Energy Security – (C-BED Projects by Utility and Projects List)

**In the Matter of the Site Permit issued to Kenyon Wind LLC, for a Large Wind Energy Conversion System in Goodhue County, Minn.**

Should the Commission amend the site permit per Kenyon Wind, LLC's petition?

No, The "Current language" in the State Permit reads, " This permit does not authorize construction of the project until the Permittee has obtained a power purchase agreement or some other enforceable mechanism for the electricity to be generated by the project. In the event the Permittee does not obtain a power purchase agreement or other enforceable mechanism for the sale of electricity by December 31, 2010 this permit shall be null and void."

When the State Permit was issued it was in response to the environmental, social, political and economic conditions in existence at the time. As Kenyon Wind LLC admits in the closing paragraph of their petition times have changed. "Again the current economic conditions have slowed wind development as stated above. Construction is tied to obtaining a power purchase agreement." In the current market finding a utility willing to sign a power purchase agreement for wind energy from a marginal site (8mph average wind speeds with considerable wind speed volatility and the underlying load management issues) that will cover the considerable expense involved in the construction maintenance and decommissioning of this project. Prices have decreased for wind energy PPA's since the State Permit was issued in 2007. This drop in the price point is the result of the competitive market.

Many viable projects have moved forward since 2007. In October of 2007 there were over 800mw of C-bed projects "In negotiations" or "Under contract". As of January 2010 this had decreased to just over 400mw of C-bed projects "in negotiation", "under contract" or "completed". (see attached file) None of these projects are in Counties with the population density of Goodhue County. All of the completed projects have a better wind resource than what is available at the Kenyon Wind LLC's proposed site. This is an example of the free market at work. Not all proposed wind energy projects will prove to be technically economically and politically viable. Kenyon Wind LLC's proposal is not politically or economically viable.

As to the political viability of this project, since this project was first permitted the people of Cherry Grove Township have adopted a set back requirement of ½ mile, and the Goodhue County Commissioners have adopted a set back requirement of 10 rotor diameters. This is in response to the will of the people in Goodhue County. If the PUC extends the permit period for this project will they be "grandfathering in" a project that the citizens of Goodhue County oppose in their zoning ordinance?

In their petition to amend the state permit in the first paragraph of page (3) Kenyon Wind LLC make the assertion that this project is "shovel ready", they then refute this statement themselves in item # "(2) Failure to Commence Construction. Paragraph K2." If this project is "shovel ready" why is Kenyon Wind asking for an extension on the time they have to submit the

"pre-construction surveys required in paragraph III.D. ? This project is not now, after holding a State Permit for the last three years "shovel ready".

It is with all of these considerations in mind that we ask the PUC to allow the permit for Kenyon Wind LLC's permit to expire and become "null and void".

Chris Gamer *Chris Gamer* 11-16-10  
Selmer Syverson *Selmer A Syverson* 11-16-10  
Alice Syverson *Alice Syverson* 11-16-10

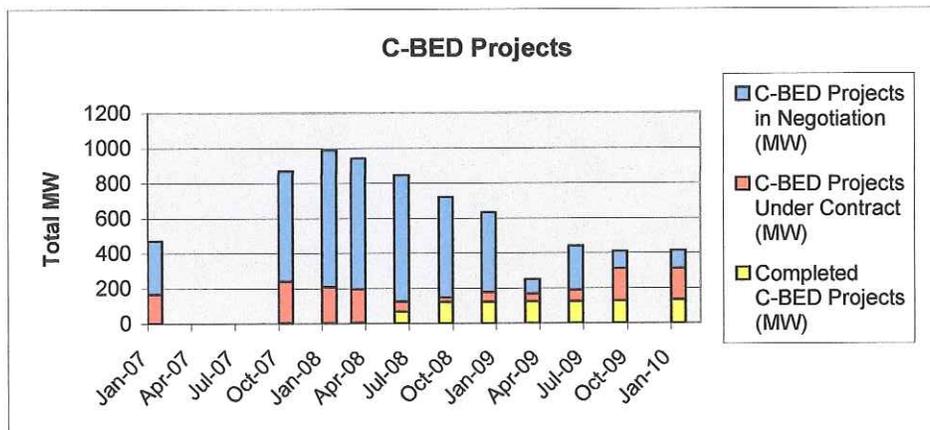
### C-BED Projects by Utility

As of Jan 15, 2010

Utility	Completed (MW)	Under Contract (MW)	In Negotiation (MW)	Total C-BED Projects (MW)
Xcel	84.45	180.2	96	360.65
CMMPA	0	0	0	0
GRE	0.132	0	3.15	3.282
SMMPA	0	0	0	0
Minnesota Power	2.5	0	0	2.5
MRES	34.7	0	0	34.7
Otter Tail Power	0.1601	0.0395	2.74	2.9396
Dairyland Power	0	0	0	0
MMPA	0	0	0	0
Minnkota	0	0	0	0
Interstate Power & Light	0	0	0	0
Basin Electric	0	0	0	0
Mountain Lake Municipal	1.25	0	0	1.25
Willmar Municipal	4	0	0	4
Federated Rural Electric	2.1	0	0	2.1
Nobles Electric	2.1	0	0	2.1
<b>Total MN</b>	<b>131.4</b>	<b>180.2</b>	<b>101.9</b>	<b>413.5</b>

Historical C-BED Development

Date	Completed (MW)	Under Contract (MW)	In Negotiation (MW)	Total C-BED Projects (MW)
1/15/10	131.4	180.2	101.9	413.5
9/30/09	126.9	184.7	97.8	409.5
6/30/09	122.9	64.5	253.0	440.3
3/31/09	122.8	44.5	81.8	249.0
12/31/08	120.8	56.5	455.9	633.1
9/30/08	120.8	27.0	573.4	721.1
6/30/08	66.5	57.0	721.0	844.5
3/31/08	3.8	190.5	746.9	941.2
1/31/08	3.8	204.8	779.0	987.6
10/15/07	3.8	234.8	629.2	867.7
1/15/07		166.9	303.4	470.2





### C-BED Projects List

(Community Projects > 100 kW installed since 2005)

Name	Location	Power Capacity (MW)	Developer	Local Owner	Equity Investor	Power Purchaser	Date Online	
Mountain Lake	Mountain Lake, Cottonwood County	1.25	Mountain Lake Municipal Utility	Mountain Lake Municipal Utility		n/a, muni utility owned	Jun-07	
Wing River Wind	Hewitt	2.5	PlainStates Energy	Wing River Wind		MN Power	Jul-07	
Marshall Wind Farm	Lyon County	14.7	Rahn Group	Rahn Group	John Deere Wind Energy	Missouri River Energy Services	Apr-08	
Cisco Wind Energy	Brewster	8	Cisco Wind Energy LLC	Cisco Wind Energy LLC	John Deere Wind Energy	Northern States Power	May-08	
Ewington Wind Farm	Worthington	20	Ewington Energy Systems LLC	Ewington Energy Systems LLC	John Deere Wind Energy	Northern States Power	May-08	
Odin	Cottonwood and Wantonwan Counties	20	Edison Mission Group/Rahn Group	Rahn Group	Edison Mission Group	Missouri River Energy Services	Jun-08	
Brewster Wind	Brewster	2.1	Nobles	Nobles Electric Cooperative		n/a, co-op utility owned	Jul-08	
Welcome Wind	Welcome	2.1	Federated	Federated Rural Electric Association		n/a, co-op utility owned	Jul-08	
Jeffers	Cottonwood County	50	Wind Energy Developers, LLC	Wind Energy Developers, LLC	Edison Mission Group	Northern States Power	Oct-08	
Hilltop Power	Pipestone	2	Hilltop Power LLC	Hilltop Power LLC		Xcel	Feb-09	
Willmar	Willmar, Kandiyohi County	4	Willmar Municipal Utilities Project Resources Corporation	Willmar Municipal Utilities		n/a, muni utility owned	Jul-09	
Uilk	Pipestone	4.5	Project Resources Corporation	Uilk Wind LLC	TianRun Uilk, LLC	Xcel	Jan-10	
<b>Total</b>							<b>131.15</b>	

**Rice, Robin (PUC)**

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**From:** Shelley [nygaard228@sleepyeyetel.net]  
**Sent:** Thursday, November 18, 2010 11:46 AM  
**To:** #PUC\_Public Comments  
**Subject:** IP-6605/WS-06-1445

PUC Commissioners, As a resident of Goodhue County and a person effected by the proposed AWA Goodhue Wind Project. It is my opinion that the Kenyon Wind Project should not be given an extension or permit at this time. The future of wind development in Goodhue County will be determined at the current Administrative hearings that will begin On the Friday Nov. 19th 2010. Any further projects for this county must wait for the completion of these hearings and the findings at it's conclusion. Any proposed projects must abide by the ordinances of this county unless the PUC finds good cause not to apply the county ordinances. Thank You,  
Rochelle Nygaard-Goodhue County

**Rice, Robin (PUC)**

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**From:** C A HUISMAN [cad2@q.com]  
**Sent:** Thursday, November 18, 2010 3:21 PM  
**To:** #PUC\_Public Comments  
**Subject:** IP-6605/WS - 06 - 1445

PUC Commissioners, I live in Red Wing and although not directly affected by any of the complaints of those closer to the projected wind farm fields of Goodhue County. I do consider it negligence if the Kenyon Wind Project should be given further consideration before there is any real evidence that the community will benefit in any way. Indeed I do believe it is time that someone/group/government body etc. start to pose questions regarding the mandates for renewable energy that cost society so greatly, do not provide efficient energy and invade our lives in so many ways. In the past couple of decades we have cleaned our air and environment greatly so why are we even considering this disregard for land, wildlife, air, noise abuse and more?

Catherine Huisman  
Red Wing, Minnesota

Attn: PUC Members  
RE: Docket # IP-6605/WS-06-1445

In regards to Kenyon Wind's request for an extension of their site permit, we ask you to deny their request for numerous reasons.

First and foremost, there has been sufficient time to obtain a purchase power agreement and their lack of one should indicate that perhaps the Kenyon area is not a viable and productive area for wind energy. There are other areas where power agreements are being reached because of higher wind availability and accessible transmission lines.

The next issue that conflicts with this site permit is the high population density for this area. Most successful developments are located in more remote areas of the state where there is less risk of potential health problems, one of which is noise.

We are constantly being reassured by the wind developers that the noise produced by wind turbines is minimal and is comparable to the sound level of a refrigerator running. Wind turbines have been active in other countries for many decades. The problems caused by them have been so significant that wind turbine production in other countries has decreased dramatically. The health impacts from turbine noise have been so prevalent that in 2009 the 3rd International Conference on Wind Turbine Noise was held in Denmark and was represented by 25 countries.

If you are still skeptical try this yourself. Go in to Google and enter "health impacts nicotine". 4,910,000 sites will come up. None of us question that nicotine is harmful to our health. Right? Now type in "health impacts wind turbines". 3,250,000 sites come up. Scary, isn't it? Yet, the wind developers keep telling us that noise is not an issue. Can we deny the complaints from all across the globe?

Another concern is the potential decrease for property values in this area. Since we don't have any local sales numbers for reference the developers will say that wind developments do not hurt property values. If anyone were to research what has happened in other countries with wind developments they would find an entirely different story. The average property value decrease in other countries is 25%. On a \$250,000 property that is a \$62,500 loss in equity. I have sold real estate for over 10 years and I can tell you that about half of my clients would not even get out of the car if we looked at a property situated within a couple thousand feet of a wind turbine. No different if it is a property located on a busy freeway or near a property with a junk yard out front. It is not arguable, it is plain, common sense.

Please consider the impact of this wind turbine development on our highly populated, rural area and deny Kenyon Wind's proposed amendment.

Kevin and Chris Mallery  
5765 County 12 Blvd.  
Kenyon, MN 55946

To the Members of the PUC  
Regarding IP-6605/WS-06-1445

I would like to express my opinion on the matter of Kenyon Wind seeking another extension. Kenyon Wind has been trying to put these wind turbines up since 2006 it is 4 years later and they still have failed to get anything done. How many extensions do they deserve? The PUC said itself that 3.5 years should be sufficient for Kenyon Wind to get this project in motion. I would like to see the PUC deny the request to do another extension on the grounds that this permit was not well organized and they have failed to secure a purchase power agreement.

If the PUC decides to give Kenyon Wind an extension. Kenyon Wind should be required to follow the 10 Rotor Diameter set back for all non-participants that was passed by the Goodhue County Commissioners. Cherry Grove Township has also passed a requirement for a ½ mile setback from all non participating residents unless they sign off their rights. This should be a requirement that Kenyon Wind should have to follow if you decide to extend their permit. They should not be allowed to be grandfathered in with their original setbacks of 800 feet from a residence. They started this project four years ago and a lot has changed since then. Proper setbacks are a huge issue for many people in Goodhue County and I would really like to see that you require Kenyon Wind to follow the current rules set up by the county and our township.

Thank you for your consideration  
Sincerely,

Sara & Aaron Quam  
CFER'S Members

**CFERS, LLC Comments  
on**

**PUC Docket Number: IP-6605/WS-06-1445  
(Also E-999/CI-09-845)**

**CFERS, LLC (Citizens For Environmental Rights & Safety) hereby submits its comments and OBJECTS to Kenyon Wind, LLC's petition to amend their Minnesota State permit.**

**In their “Amendment”, Kenyon Wind, LLC states:**

*”...the continued state of the economy both nationally and in Minnesota for the development of wind power facilities and obtaining a purchase power agreement has been a challenge...”*

**CFERS, LLC suggests that Kenyon Wind's basis for their project is weak—and their persistent requests for amendments and extensions to project deadlines speak loudly to that perspective . A review of the project documents will find that Kenyon Wind, LLC previously submitted the following list of excuses as reasons to justify extensions or amendments:**

- a) Complex issues of interconnection which delayed a MISO study**
- b) Turbine availability issue (failure to lock-in supplier contracts?)**
- c) Underfunded PPA terms**
- d) Sunset of Production Tax credits**
- e) Market conditions**

**Now to this list of excuses, Kenyon Wind LLC is adding:**

- f) “the economy—both nationally and in Minnesota”**

**A review of Kenyon Wind LLC's reasons for delay and requests for extensions leads one to the perception that this project is weak. One of the prime factors for this weakness is that the project is sited in a marginal wind field—#3 out of 8—as stated in their project proposal. This makes the project difficult to justify to investors, as well as to customers (off loaders?) and has resulted in pushing the project's operational parameters into areas where the project infringes on the Quality of Life (QOL) for rural residents around the project area.**

**It is refreshing and encouraging to see recent actions to address the growing concerns about wind turbines and QOL issues—as evidenced by the Minnesota Department of Health report, Goodhue County’s more stringent 10 RD setbacks, and Cherry Grove Township’s 0.5 mile buffer from non-participant property boundaries.**

**It is CFERS, LLC’s view that Kenyon Wind’s project was poorly conceived, rushed to permitting without appropriate contingency planning, and apparently with a marginal business case.**

**Kenyon Wind, LLC originally submitted their project proposal in 2006 and here it is four years later with nothing but a lengthening list of excuses. In the commercial world, such performance is not tolerated. It’s time to rein in the marginal projects, such as Kenyon Wind’s.**

**CFERS, LLC has previously presented arguments about the adverse impacts of the inappropriate siting practices associated with Kenyon Wind’s project. We were dismayed with the lack of consideration that the Department of Commerce and the PUC gave to our previous objections to Kenyon Wind’s project. Since the issuance of Kenyon Wind’s permit, however, the Minnesota Department of Health has issued a report on the potential health impacts from wind turbines. In addition, Goodhue County has now published more stringent setback requirements from non-participating residents property lines (10 RD) and related regulations to ensure proper siting of wind turbines to protect citizens safety and health. Cherry Grove Township has likewise enacted an ordinance requiring a half-mile setback from homes or properties not participating in a wind project. Population density in rural Kenyon and throughout Goodhue County is greater than in places like Mower County or The Buffalo Ridge and public safety has to have top consideration in any siting recommendation.**

**CFERS, LLC believes it is now time for the MN PUC to deny Kenyon Wind’s most recent request for yet another amendment and put this project behind all of us. It was not launched in a collaborative approach with non-participating landowners. The original siting plan does not comply with recent Goodhue County or Cherry Grove Township requirements or setbacks. The amount of disruption and intrusion to the local environment for the relatively small output of**

**Kenyon Wind's project makes this project unwise, unviable, and untenable.**

**It also appears that public utilities now prefer to own their wind farms, not purchase their mandated wind energy from small, private LLC's. CFERS, LLC speculates that this may in fact explain why Kenyon Wind still does not have a viable Purchase Power Agreement. Or maybe it's an excessive overhead cost vs output ratio that makes the end-product over-priced to the market?**

**All of the "justifications" for their permit to be extended are simply reflections of typical free-market conditions and circumstances expected to be encountered in any commercial venture. If their project is that fragile, then let it die a natural death.**

**It is CFERS, LLC request that the PUC deny Kenyon Wind, LLC's petition to amend their state permit. We urge the Commission to:**

**1) Require Kenyon Wind to produce a power purchase agreement by December 31, 2010 or hold the permit to be Null and Void.**

**2) If the PUC decides to extend the permit, CFER's LLC requests that the PUC require Kenyon Wind, LLC to comply with all recently announced siting requirements for Goodhue County and/or Cherry Grove Township and not be allowed to claim a "grandfather" clause exemption.**

**CFERS, LLC members, Goodhue County residents, Cherry Grove Township inhabitants, and other concerned citizens of rural areas have a vested interest in the outcome of the PUC's action in this matter.**

**After all, it's our safety and environmental rights that are at stake.**

**Respectfully submitted,**

**Michael W. Chase  
President, CFERS, LLC**

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

**The concerns of the citizens in the Kenyon area, of flicker, noise, ice throws, and the aesthetics of the tall turbines were dismissed in 2006. Now our concerns have been validated as more of the sites have become reality and landowners suffer with these new neighbors. The wind turbines benefit only the initial investors because of the federal government money.**

**As State Representative Steve Drazkowski said, When he addressed the PUC in October of 2010, “At what point do these developments get too close? Is it Goodhue County ? Is it Dakota County ? Is it Hennepin County ?**

**I’d assert, commissioners that we’ve reached that point.**

**Lisa A. Chase, R.N.**

PUC Docket IP-6605/WS-06-1445

Re: Petition for Amendment to Site Permit, Goodhue County, Minnesota

Dear Commission,

I am writing to ask that you do not grant the requested amendment to the site permit for the Kenyon Wind, LLC wind farm project. An extension of the construction commencement deadline to February 18, 2013 would allow a total of 5 years and 7 months for this project to move from obtaining a site permit through securing a power purchase agreement and starting construction.

The MPUC site permit originated with a requirement to commence construction within 2 years. The extension request alone is a duration of 2 years and 3 months. Continued extension of this permit is approaching exponential growth.

Submitting a new application in a timeframe that more closely follows the timeline outlined by the MPUC would allow inclusion of more accurate and up to date information.

Sincerely,

Erin Logan  
17004 420<sup>th</sup> Street  
Zumbrota, MN 55992