DRAFT SITE PERMIT FOR

BEAR CREEK WIND PROJECT

LARGE WIND ENERGY CONVERSION SYSTEM

IN
TODD AND CROW WING COUNTY

ISSUED TO

BEAR CREEK WIND PARTNERS, LLC

PUC DOCKET NO. IP 6629/WS-07-297

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

BEAR CREEK WIND PARTNERS, LLC

Bear Creek Wind Partners, LLC, is authorized to construct and operate a 55-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 30 years from the date of issuance.

Draft 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 3
II. PROJECT DESCRIPTION 3
III. CONDITIONS 3
A. GENERAL CONSTRUCTION CONDITIONS 3
1. SITE PLAN 3
2. FIELD REPRESENTATIVE 4
3. PRECONSTRUCTION MEETING 4
4. NOTICE OF PERMIT CONDITIONS 4
B. MITIGATION MEASURES 4
1. SITE CLEARANCE 4
2. TOPSOIL PROTECTION 4
3. COMPACTION 4
4. LIVESTOCK PROTECTION 4
5. FENCES 5
6. DRAINAGE TILE 5
7. EQUIPMENT STORAGE 5
8. ROADS 5
9. SOIL EROSION AND SEDIMENT CONTROL 6
10. CLEANUP 6
11. TREE REMOVAL 6
12. RESTORATION 7
13. HAZARDOUS WASTE 7
14. APPLICATION OF HERBICIDES 7
15. PUBLIC SAFETY 7
16. FIRE PROTECTION 7
17. TOWER IDENTIFICATION 8
C. SETBACKS 8
1. WIND ACCESS BUFFER 8
2. RESIDENCES 8
3. ROADS 8
4. WILDLIFE MANAGEMENT AREAS 8
5. WETLANDS 8
6. NATIVE PRAIRIE 8
7. OTHER 9
D. PRECONSTRUCTION SURVEYS 9
1. BIOLOGICAL PRESERVATION SURVEY 9
2. ARCHAEOLOGICAL RESOURCES 9
3. ELECTROMAGNETIC INTERFERENCE 10
E. SITE LAYOUT RESTRICTIONS 10
1. WIND TURBINE TOWERS 10
2. METEOROLOGICAL TOWERS 11
3. NOISE 11
4. FEDERAL AVIATION ADMINISTRATION 11
5. TURBINE SPACING 11

6. FOOTPRINT MINIMIZATION 11
7. ELECTRICAL CABLES 12
8. FEEDER LINES 12
F. STUDIES 12
1. WAKE LOSS STUDIES 12
2. NOISE 12
G. DECOMMISSIONING/RESTORATION/ABANDONMENT 13
1. DECOMMISSIONING PLAN 13
2. SITE RESTORATION 13
3. ABANDONED TURBINES 13
H. REPORTING 13
1. PROJECT ENERGY PRODUCTION 13
2. WIND RESOURCE USE 14
3. EXTRAORDINARY EVENTS 14
4. COMPLAINTS 14
I. FINAL CONSTRUCTION 15
1. AS-BUILT PLANS AND SPECIFICATIONS 15
2. FINAL BOUNDARIES 15
3. EXPANSION OF SITE BOUNDARIES 15
J. AUTHORITY TO CONSTRUCT LWECS 15
1. WIND RIGHTS 15
2. OTHER PERMIT APPLICATIONS. 15
3. PREEMPTION OF OTHER LAWS 15
4. POWER PURCHASE AGREEMENT 16
K. MISCELLANEOUS 16
1. PERIODIC REVIEW 16
2. FAILURE TO COMMENCE CONSTRUCTION 16
3. MODIFICATION OF CONDITIONS 16
4. REVOCATION OR SUSPENSION OF THE PERMIT 17
5. PROPRIETARY INFORMATION 17
6. TRANSFER OF PERMIT 17
7. OTHER PERMITS 17
8. SITE MANAGER 18
9. NOTICE TO LOCAL RESIDENTS 18
10. RIGHT OF ENTRY 18
11. MORE STRINGENT RULES 18
L. EXPIRATION DATE 19

I. SITE PERMIT

This Site Permit for a Large Wind Energy Conversion System (LWECS) authorizes Bear Creek Wind Partners, LLC (hereinafter "Permittee") to construct a 55-Megawatt (MW) LWECS and associated facilities known as the Bear Creek Wind Project in Otter Tail and Todd counties 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 Bear Creek Wind Project (project) and will be owned and operated by Bear Creek Wind Partners, LLC. The project will consist of up to 22 Nordex N90, 2.5 MW wind turbine generators with a combined nominal nameplate capacity of 55 MW. The project is permitted in two separate phases. Phase I is permitted at 30 MW and will consist of 12 Nordex N90 wind turbine generators. Phase II is permitted at 25 MW and will consist of 10 Nordex N90 wind turbine generators. Turbines are interconnected by communication and electrical power collection facilities within the wind farm. These facilities will include junction boxes, transformers, overhead and underground collector and feeder lines that will deliver wind-generated power to the Bear Creek Wind Project substation located in Section 17 or 20 of Stowe Prairie Township in Todd 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 as the Storm Water Pollution Prevention Plan (SWPP) submitted to the Minnesota Pollution Control Agency (MPCA) as part of the National Pollutant Discharge Elimination System (NPDES) permit application. A goal of the Soil Erosion and Sediment Control Plan is to minimize soil erosion 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 northwest-southeast axis and 3 (three) rotor diameters on the northeast-southwest 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. In the event that the assessment has been conducted prior to the issuance of the permit, the Permittee shall notify the PUC that such an assessment has been completed. 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 subject to modifications necessary to comply with the conditions of this permit. 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 20 percent of the towers (5 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 or other enforceable mechanism for sale of the electricity to be generated by the project. For Phase I, 30 MW, the Permittee has a power purchase agreement with Minnesota Power and is authorized to construct the first 12 wind turbines turbine generators. The Permittee shall advise the PUC when it obtains a power purchase agreement or other enforceable mechanism for sale of the electricity to be generated in Phase II, 20 MW, of the project and shall provide such documentation as the PUC may require regarding confirmation of the agreement.

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 on both Phase I and Phase II 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 amended or revoked. No amendment or 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.

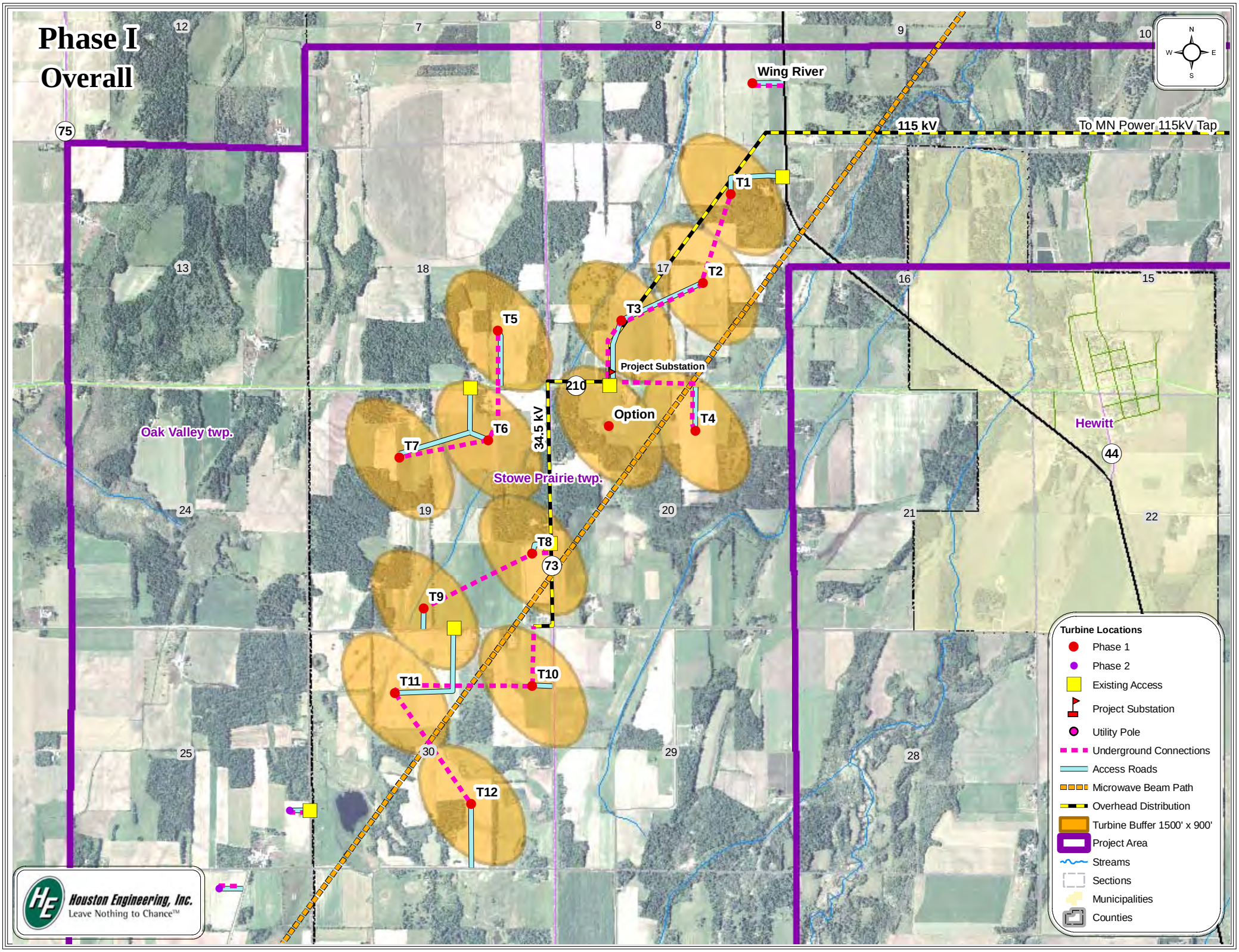
L. EXPIRATION DATE

This Permit shall expire 30 years from the date of issuance.

EXHIBIT 1

PROJECT MAP

Phase I Overall



Phase II
Overall

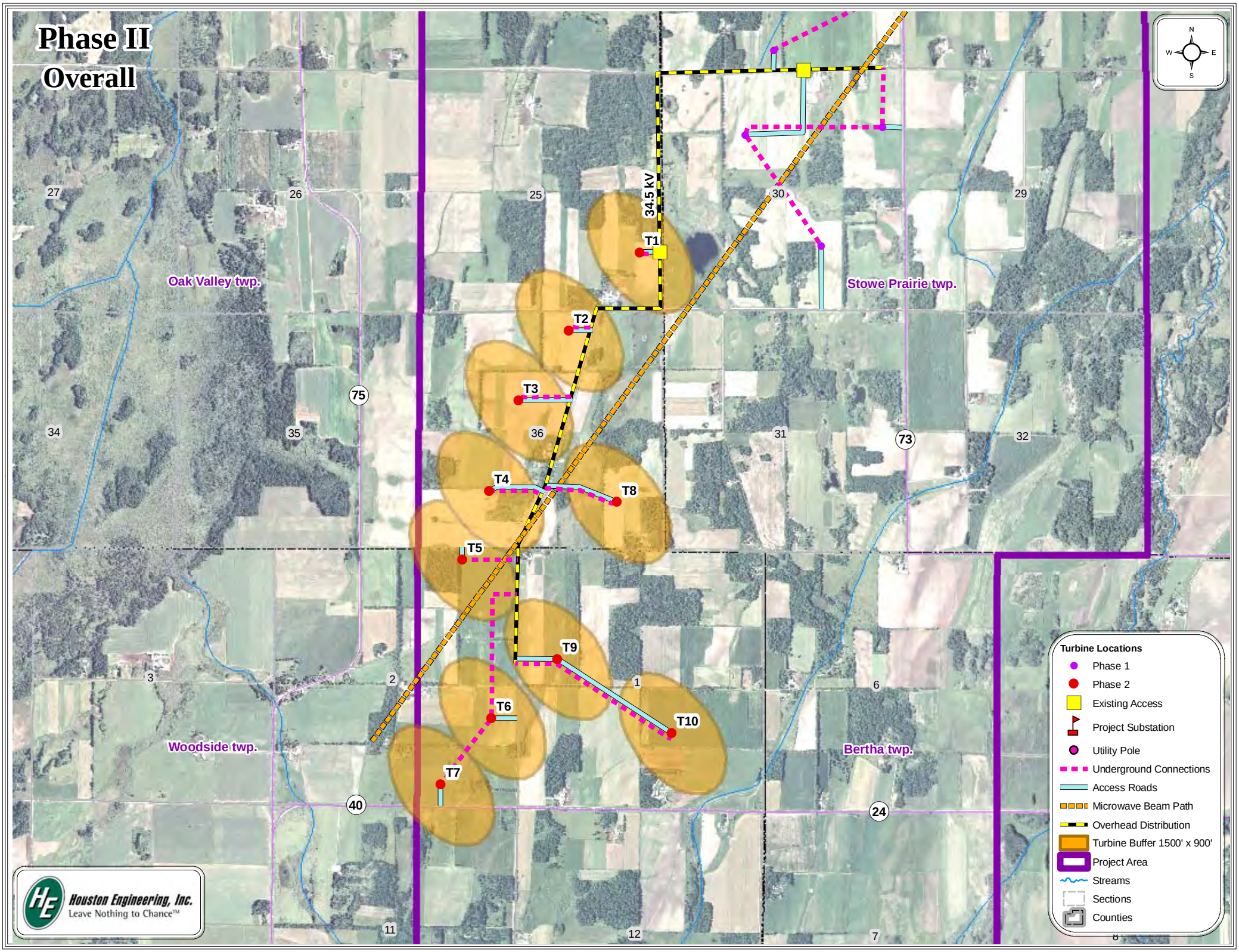


EXHIBIT 2

COMPLAINT REPORT PROCEDURES

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.