

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger
Nancy Lange
Dan Lipschultz
John A. Tuma
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Application of Paynesville
Wind, LLC for a Large Wind Energy
Conversion System Site Permit for the 95 MW
Paynesville Wind Farm in Stearns County

ISSUE DATE: July 7, 2015

DOCKET NO. IP-6830/WS-10-49

ORDER REVOKING SITE PERMIT

PROCEDURAL HISTORY

On January 26, 2011, the Commission issued to Paynesville Wind, LLC (Paynesville Wind) a site permit to erect wind turbines designed to generate 95 megawatts (MW) of electricity at a site in Stearns County.

On February 7, 2013, the Commission amended the permit to grant an additional two years to fulfill the permit's terms.

On May 8, 2015, the Commission sent a letter directing Paynesville Wind to show cause why the Commission should not revoke the site permit for failure to comply with the permit's terms.

On June 5, 2015, Paynesville Wind filed a reply acknowledging that it had not complied with the permit's terms, and expressing no opposition to revocation.

On June 25, 2015, the matter came before the Commission. No party asked to address the Commission on this issue.

FINDINGS AND CONCLUSIONS

I. Summary

The Commission will revoke the site permit issued to Paynesville Wind.

II. Legal Background

Minnesota Rules define a "large wind energy conversion system" (LWECS) to include a collection of wind turbines capable of generating 5,000 kilowatts (5 MW) or more.¹ People

¹ Minn. R. 7854.0100.

seeking to develop LWECSs must first obtain a site permit from the Commission.² The Commission may revoke that permit if it determines that the permittee has failed to comply with a material condition or term of the permit.³

III. Site Permit

The site permit issued to Paynesville Wind states as follows:

In the event the Permittee does not obtain a power purchase agreement or some other enforceable mechanism for sale of the electricity to be generated by the Project within two years of the issuance of this amended permit, the Permittee must advise the Commission of the reason for not having such commitment. In such event, the Commission may determine whether this permit should be amended or revoked.⁴

* * *

If the Permittee has not ... commenced construction of the Project within two years of the issuance of this amended permit, the Permittee must advise the Commission of the reason construction has not commenced. In such event, the Commission shall make a determination as to whether this permit should be amended or revoked.⁵

While the Commission later extended the deadline to February 7, 2015, the Commission received no statement of noncompliance from the permittee at that time.

IV. Permittee's Statement

In response to the Commission's show-cause letter, Paynesville Wind stated that it has not secured an enforceable agreement to sell the project's power, has not begun construction, and has no current plans to pursue the project. Paynesville Wind acknowledged that it would need to secure a new site permit if it chose to pursue the project again.

V. Commission Analysis and Action

Because Paynesville Wind acknowledges that it has not secured an enforceable agreement to sell the project's power and has not begun construction, the Commission finds that the permittee has failed to comply with a material condition or term of the permit. Consequently the permit will be revoked. Anyone seeking to develop the project in the future will have to secure a new site permit.

² Minn. R. 7854.0300.

³ Minn. R. 7854.1300, subp. 3.

⁴ Site Permit section 10.2 Power Purchase Agreement.

⁵ *Id.*, section 10.3 Failure to Commence Construction.

ORDER

1. The Site Permit issued to Paynesville Wind in Stearns County is revoked.
2. This order shall become effective immediately.

BY ORDER OF THE COMMISSION

Daniel P. Wolf
Executive Secretary



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