STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

LARGE WIND ENERGY CONVERSION SYSTEM

SITE PERMIT

FOR THE

PAYNESVILLE WIND FARM

IN

STEARNS COUNTY

ISSUED TO

PAYNESVILLE WIND, LLC

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

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

PAYNESVILLE WIND, LLC

The Permittee is authorized to construct and operate up to a 95 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_____.

Approved and adopted this ___ day of _____
BY ORDER OF THE COMMISSION

_____
BURL W. HAAR
Executive Secretary

(S E A L)

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I. SITE PERMIT

This Site Permit for a Large Wind Energy Conversion System (LWECS) authorizes Paynesville Wind, LLC (Permittee) to construct the Paynesville Wind Farm (Project), a 95 megawatt (MW) nameplate capacity LWECS and associated facilities in Stearns County, on a site of approximately 15,000 acres in accordance with the conditions contained in this Permit. The Project boundary is shown on the map that is attached as **Attachment 1.**

II. PROJECT DESCRIPTION

The up to 95 MW nameplate capacity LWECS Project authorized to be constructed in this Permit will be developed and constructed by the Permittee. The Project will consist of up to 63 General Electric 1.5 MW wind turbine generators mounted on 262.5 foot (80 meter) towers with a rotor diameter of 270 feet (82.5 meters), 53 Vestas 1.8 MW wind turbine generators mounted on 262.5 foot (80 meter) towers with a rotor diameter of 295 feet (90 meters), or 42 Siemens 2.3 MW wind turbine generators mounted on 262.5 foot (80 meter) towers with a rotor diameter of 331 feet (101 meters), each having a combined nominal nameplate capacity of approximately 95 MW. Associated facilities will include wind turbine access roads, underground electrical collection system, SCADA wiring, feeder lines, pad mounted turbine transformers, one substation, one transmission line, meteorological tower, and a Sonic Detection and Ranging (SODAR) unit or Light Detection and Ranging (LIDAR) unit. Turbines are interconnected by communication and underground electrical power collection facilities within the wind farm that will deliver wind-generated power to the collection substation. Power will ultimately be delivered to the existing Paynesville substation located north of the city of Paynesville.

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 Commission 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 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 shall document compliance with the setbacks and site layout restrictions required by the permit, including compliance with the noise standards pursuant to Minnesota Rules Chapter 7030. 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. In the event that previously unidentified environmental conditions are discovered during construction which by law or pursuant to conditions outlined in this Permit would preclude the use of that site as a turbine site, the

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Permittee shall have the right to move or relocate turbine sites. The Permittee shall notify the Commission of any turbines that are to be relocated before the turbine is constructed on the new site and demonstrate compliance with the setbacks and site layout restrictions required by the permit.

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 Commission, 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 Commission.

3. PRECONSTRUCTION MEETING

Prior to the start of any construction, the Permittee shall conduct a preconstruction meeting with the person designated by the Commission 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. SOIL COMPACTION

The Permittee shall implement measures to minimize soil 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.

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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 TILES

The Permittee shall take into account the location of drainage tiles during Project layout and construction. The Permittee shall 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 on lands under its control unless negotiated with 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 Commission 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 Commission of such arrangements upon request of the Commission.

(b) Turbine Access Roads

The Permittee shall construct the fewest 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. Access roads shall not be constructed across streams and drainage ways without required permits and approvals from the Minnesota Department of Natural Resources (DNR), United States Fish and Wildlife Services (USFWS), and/or United States Army Corps of Engineers (USACE). When access roads are constructed across streams and drainage ways, the access roads shall be designed in a manner so runoff from the upper

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portions of the watershed can readily flow to the lower portion of the watershed. Access roads shall also be constructed in accordance with all necessary township, county or state road requirements and permits.

(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 Commission. This Plan may be the same as the Storm Water Pollution Prevention Plan (SWPPP) 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, 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 Commission and the approval of the affected landowner.

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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 twelve months after completion of construction of the turbine, unless otherwise negotiated with the landowner. 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. The Permittee shall submit the location of all “underground facilities,” as defined in Minnesota Statutes section 216D.01, subdivision 11, to Gopher State One Call.

16. EMERGENCY RESPONSE

The Permittee shall prepare an emergency response plan (fire protection and medical emergency plan) in consultation with the emergency responders having jurisdiction over the area prior to LWECS construction. The Permittee shall submit a copy of the plan to the Commission upon request. The Permittee shall also register the LWECS with the local governments’ emergency 911 services.

17. TOWER IDENTIFICATION

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

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C. SETBACKS

1. WIND ACCESS BUFFER

Wind turbine towers shall not be placed less than 5 rotor diameters (RD) on the prevailing wind directions and 3 RD on the non-prevailing wind directions from the perimeter of the lands where the Permittee does not hold the wind rights, without the approval of the Commission.

2. RESIDENCES

Wind turbine towers shall not be located closer than 750 feet from all residences, unless a waiver has been signed by the property owners, or the distance required to comply with the noise standards established by the MPCA at paragraph II.E.3, whichever is greater.

3. ROADS

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

4. PUBLIC LANDS

Wind turbines and associated facilities including foundations, access roads, underground cable, and transformers, shall not be located in Waterfowl Production Areas, State Wildlife Management Areas, or Scientific and Natural Areas or in county parks and shall also comply with the setbacks of III.C.1.

5. WETLANDS

Wind turbines and 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, subdivision 15a. However, electric collector or feeder lines may cross or be placed in public waters or public waters wetlands subject to DNR, USFWS, and/or USACE permits and approvals.

6. NATIVE PRAIRIE

Upon request of the Commission, the Permittee shall, with the guidance of the DNR and any others selected by the Permittee, prepare a prairie protection and management plan and submit it to the Commission 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, measure 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 Commission.

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7. SAND AND GRAVEL OPERATIONS

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 landowner with notice given to the owner of the sand and gravel operation.

D. PRECONSTRUCTION SURVEYS

1. BIOLOGICAL INVENTORY/SURVEY

Upon request of the Commission, 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 Commission and DNR prior to the commencement of construction.

2. ARCHAEOLOGICAL RESOURCES

The Permittee shall work with the State Historic Preservation Office (SHPO) at the Minnesota Historical Society (MHS) and the State Archaeologist. The Permittee shall carry out a Phase 1 or 1A Archaeology survey for all proposed turbine locations, access roads, junction boxes and other areas of Project construction impact to determine whether additional archaeological work is necessary for any part of the proposed Project. The Permittee will contract with a qualified archaeologist to complete such surveys, and will submit the results to the Commission, 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 the Commission in consultation with SHPO and the State Archaeologist. In addition, the Permittee 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 Commission of such discovery. The Permittee shall not excavate at such locations until so authorized by the Commission in consultation with the SHPO and the State Archaeologist.

If human remains are encountered during construction, the Permittee 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.

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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 Commission and the MHS about the discovery. The Commission 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. INTERFERENCE

Prior to beginning construction, the Permittee shall submit a plan to the Commission 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 installation 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 may be up to 80 meters (262.5 feet) above grade measured at the hub.

2. METEOROLOGICAL TOWERS

Permanent towers for meteorological equipment shall be free standing. Temporary meteorological towers, which are those that will be removed no more than one year after the Project in-service date, may be guyed if the landowner has given written permission and the guys are properly marked with safety shields.

New temporary and permanent meteorological towers shall not be placed less than 250 feet from the edge of the nearest public road right-of-way and from the boundary of the Permittee's site control, or in compliance with the county ordinance regulating meteorological towers in the county the tower is built, whichever is more restrictive. Meteorological towers shall be placed on lands the Permittee holds the wind or other development rights.

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Meteorological towers shall be marked as required by the Federal Aviation Administration (FAA). There shall be no lights on the meteorological 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.

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. The noise standards are found in Minnesota Rules Chapter 7030. Turbine operation shall be modified or turbines shall be 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 noise standards. The Permittee shall be required to comply with this condition with respect to all homes or other receptors in place as of the time of construction, but not with respect to such receptors built after construction of the towers.

4. FEDERAL AVIATION ADMINISTRATION

Towers shall be marked as required by the 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 boundary as shown in Attachment 1. The turbine towers shall be spaced no closer than 3 RD in the non-prevailing wind directions and 5 RD on the prevailing wind directions. If required during final micro-siting of the turbine towers to account for topographic conditions, up to 20 percent of the 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.

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8. FEEDER LINES

The Permittee shall place overhead or underground electric lines, known as feeders, within public rights-of-way or on private land immediately adjacent to public rights-of-way if a public right-of-way exists, except as necessary to avoid or minimize human, agricultural, or environmental impacts. 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 easements negotiated with the affected landowner. In all cases, the Permittee shall avoid routing feeder lines in locations which may interfere with agricultural operations. 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 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 Commission, the Permittee shall report to the Commission on compliance with these standards.

F. STUDIES

1. WAKE LOSS STUDIES

The Permittee shall provide to the Commission 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 Commission any operational wake loss studies conducted on this Project.

2. NOISE

The Permittee shall submit a proposal to the Commission for the conduct of a post-construction noise study. Upon the approval of the Commission, the Permittee shall carryout the study. The study shall be designed to determine the noise levels at different frequencies and at various distances from the turbines at various wind directions and speeds.

G. DECOMMISSIONING/RESTORATION/ABANDONMENT

1. DECOMMISSIONING PLAN

Prior to commercial operation, the Permittee shall submit to the Commission a Decommissioning Plan documenting the manner in which the Permittee anticipates decommissioning the Project in accordance with the requirements of Minnesota Rules part 7854.0500, subpart 13. The Permittee shall ensure that it carries out its obligations to provide for the resources necessary to fulfill its

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requirements to properly decommission the Project at the appropriate time. The Commission may at any time request the Permittee to file a report with the Commission 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. An LWECS shall be considered a discontinued use after one year without energy production, unless a plan is developed and submitted to the Commission outlining the steps and schedule for returning the LWECS to service. 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 Commission 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 Commission of any turbines that are abandoned prior to termination of operation of the LWECS. The Commission may require the Permittee to decommission any abandoned turbine.

H. REPORTING

1. PROJECT ENERGY PRODUCTION

The Permittee shall submit a report no later than February 1st following each complete year of Project operation. The report shall include: a) the rated nameplate capacity of the permitted LWECS Project; b) the total monthly energy generated by the LWECS in Megawatt Hours; c) the monthly capacity factor; d) yearly energy production and capacity factor; e) the operational status of the Project and any major outages, major repairs, or turbine performance improvements occurring in the previous year; and (e) any other information reasonably requested by the Commission. This information will be considered public and must be submitted electronically.

2. WIND RESOURCE USE

The Permittee shall upon the request of the Commission report to the Commission on the monthly energy production of the Project and the average monthly wind speed collected at one permanent meteorological tower selected by the Commission during the preceding year or partial year of operation.

The provisions of paragraph III.K.5 shall apply to the Commission's review of data provided pursuant to III.H.2.

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3. EXTRAORDINARY EVENTS

Within 24 hours of an occurrence, the Permittee shall notify the Commission 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 migratory, threatened or endangered species, or discovery of a large number dead birds or bats of any variety on site. In the event of 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 Commission 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 Commission the company's procedures to be used to receive and respond to complaints. The Permittee shall report to the Commission all complaints received concerning any part of the LWECS in accordance with the procedures provided in Attachments 2 and 3 of this Permit.

I. FINAL CONSTRUCTION

1. AS-BUILT PLANS AND SPECIFICATIONS

Within 60 days after completion of construction, the Permittee shall submit to the Commission 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 Commission can place it into the Minnesota Geospatial Information Office's (MnGeo) geographic data clearinghouse located in the Department of Administration.

2. FINAL BOUNDARIES

After completion of construction, the Commission shall determine the 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 Commission. The Permittee may submit to the Commission a request for a change in the boundaries of the site for the LWECS. The Commission 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 Commission of the obtaining of exclusive wind rights within the boundaries of the LWECS authorized by this Permit within 30 days of receiving such wind

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rights. The Permittee shall submit documentation of such exclusive wind rights if requested by the Commission.

2. OTHER PERMIT APPLICATIONS

Nothing in this Permit shall be construed to preclude any other person from seeking a site permit to construct a LWECS 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 section 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 some other enforceable mechanism for sale of the electricity to be generated by the Project. 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 Permit, the Permittee must advise the Commission of the reason for not having such power purchase agreement or enforceable mechanism. In such event, the Commission 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 Statutes section 216F.05 and Minnesota Rule 7836.1300.

K. MISCELLANEOUS

1. PERIODIC REVIEW

The Commission 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 Commission, 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 Commission of the reason construction has not commenced. In such event, the Commission shall make a determination as whether this Permit should be amended or revoked. No revocation of this Permit may be undertaken except in accordance with applicable statutes and rules, including Minnesota Statutes section 216F.05 and Minnesota Rule 7854.1300.

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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 Commission 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 Permittee, and a true statement would have warranted a change in the Commission'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, rule or an order of the Commission.

In the event the Commission shall determine that it is appropriate to consider revocation or suspension of this Permit, the Commission shall proceed in accordance with the requirements of Minnesota Statutes section 216F.05 to determine the appropriate action. Upon a finding of any of the above, the Commission 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 Commission 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 Commission. 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 Commission. If the Permittee desires to transfer this Permit, the holder shall advise the Commission in writing of such desire. The Permittee shall provide the Commission with such information about the transfer as the Commission requires to reach a decision. The Commission may impose additional conditions on any new Permittee as part of the approval of the transfer.

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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 Commission upon request.

8. SITE MANAGER

The Permittee shall designate a site manager who shall be the contact person for the Commission to contact with questions about the LWECS. The Permittee shall provide the Commission with the name, address, and phone numbers of the site manager prior to placing any turbine into operation. This information shall be maintained current by informing the Commission 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 and complaint procedure less than five days prior to the start of construction on their property.

10. RIGHT OF ENTRY

The Permittee shall allow representatives of the Commission 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.

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11. MORE STRINGENT RULES

The Commission's issuance of this Site Permit does not prevent the future adoption by the Commission 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.

12. PERMIT COMPLIANCE MEETING

Prior to the start of commercial operation, the Permittee shall conduct a Permit compliance meeting with the person designated by the Commission to coordinate Permit compliance activities.

L. EXPIRATION DATE

This Permit shall expire on [DATE] [30 years after final Permit issuance].

M. APPLICATION/PERMIT COMPLIANCE

1. APPLICATION COMPLIANCE

The Permittee shall comply with those practices set forth in it Site Permit Application, dated January 29, 2010, unless this Permit establishes a different requirement in which case this Permit shall prevail.

2. COMPLIANCE WITH FEDERAL AND STATE AGENCY PERMITS

The Permittee shall comply with all terms and conditions of permits or licenses issued by Federal, State, or Tribal authorities including but not limited to the requirements of the Minnesota Pollution Control Agency (Section 401 Water Quality Certification, SDS Discharge/Construction Storm Water, Site Specific Discharge Approvals), DNR (License to Cross Public Water, State Protected Species Consultation, and Public Water Works), SHPO (Section 106 Historic Consultation Act), and Minnesota Department of Transportation (Utility Access Permit, Highway Access Permit and Oversize and Overweight Permit).

3. COMPLIANCE WITH COUNTY, CITY OR MUNICIPAL PERMITS

The Permittee shall comply with all terms and conditions of permits or licenses issued by the counties, cities, and municipalities affected by the Project that do not conflict or are not pre-empted by federal or state permits and regulations.

N. SPECIAL CONDITIONS

Special conditions shall take precedence over any of the other conditions of this Permit if there should be a conflict between the two.

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1. SHADOW FLICKER

The applicant shall provide data on shadow flicker impacts at the time it submits the final site plan and profile. Information should include, but not be limited to, the results of modeling used (if any), assumptions made, and the anticipated levels of impact from turbine shadow flicker. Adoption of this special condition is based on facts unique to this case and provides no precedent or prediction regarding the information to be requested on shadow flicker that the Commission may deem appropriate and reasonable to require in future dockets.

2. APPLICATION OF COUNTY STANDARDS

The Applicant shall site all wind turbines and associated facilities consistent with the wind energy ordinances adopted by Stearns County.

Stearns County has adopted the following standards that may be more stringent than those identified in the provisions in section III.C.

- Residential dwellings/occupied structures must have a setback of 750 feet.
- Property lines must have a setback of 1.1 times the total height of the turbine.
- A project boundary setback of 5 RD. Project boundary includes all parcels of land, which have a wind easement, for one wind project. The County Board may authorize a setback of less than 5 RD if the applicant demonstrates that due to the wind direction, the wake interference is less than 5 RD.
- Right-of-way setback of 250 feet or 1.1 times the total height of the tower, whichever is greater.
- Internal turbine spacing shall be 5 RD apart for downwind spacing and 3 RD apart for crosswind spacing.
- All feeder lines shall be buried underground.
- WECS of 40.01 kW or greater are not allowed in the Shoreland Overlay District.

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ATTACHMENT 1: SITE PERMIT MAP

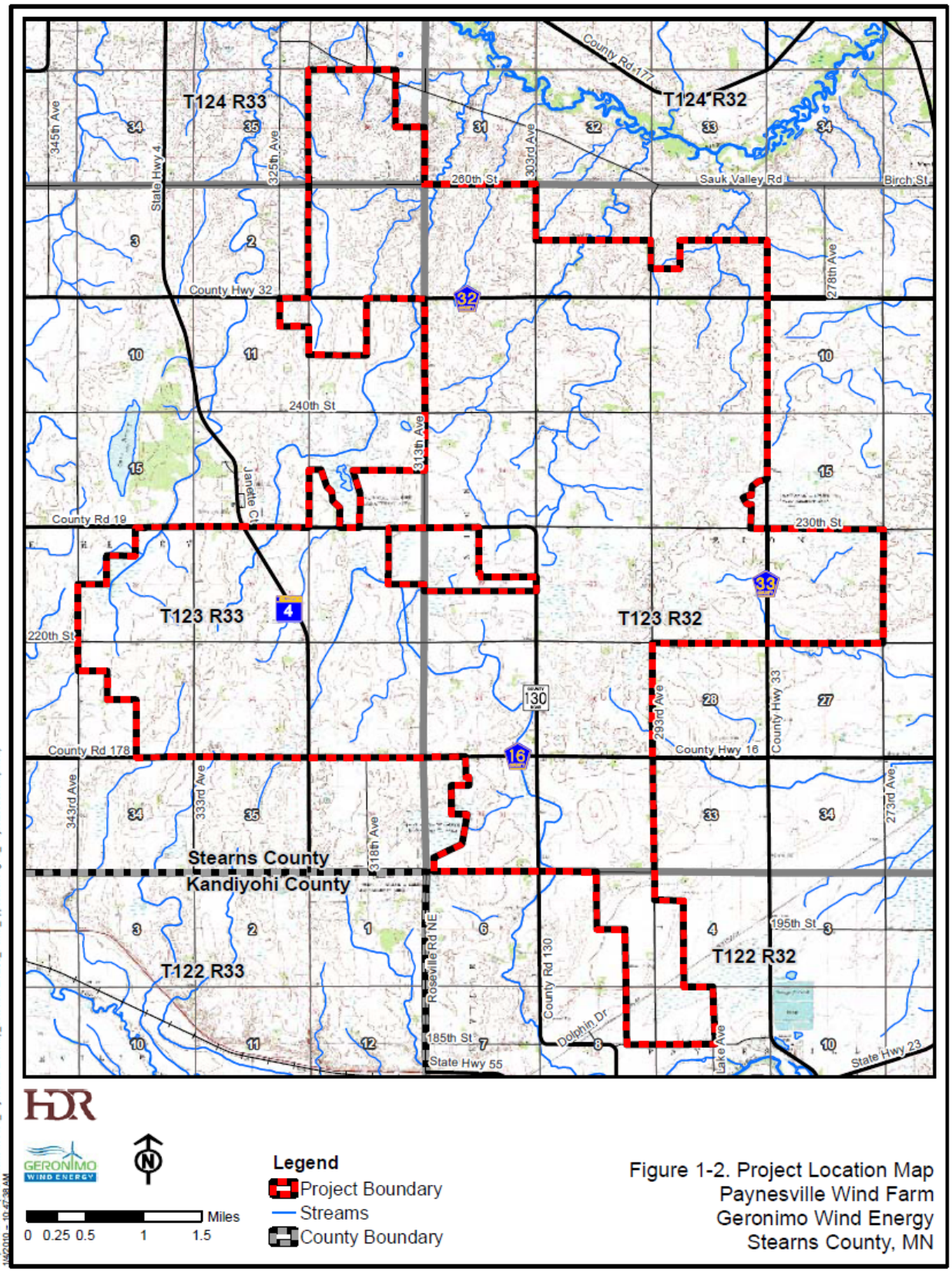

Figure 1-2. Project Location Map
Paynesville Wind Farm
Geronimo Wind Energy
Stearns County, MN

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

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A. Purpose:

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

B. Scope:

This document describes Complaint reporting procedures and frequency.

C. Applicability:

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

D. Definitions:

Complaint: A verbal or written statement presented to the Permittee by a person expressing dissatisfaction or concern regarding site preparation, cleanup or restoration or other LWECS and associated facilities site permit conditions. Complaints do not include requests, inquiries, questions, or general comments.

Substantial Complaint: A written Complaint alleging a violation of a specific Site Permit condition that, if substantiated, could result in Permit modification or suspension pursuant to the applicable regulations.

Unresolved Complaint: A Complaint which, despite the good faith efforts of the permittee and a person(s), remains to both or one of the parties unresolved or unsatisfactorily resolved.

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.

E. Complaint Documentation and Processing:

1. The Permittee shall document all Complaints by maintaining a record of all applicable information concerning the Complaint, including the following:

a. Name of complainant, address, phone number, and e-mail address.
b. Precise property description or parcel number.
c. Name of Permittee representative receiving Complaint and date of receipt.
d. Nature of Complaint and the applicable Site Permit conditions(s).
e. Activities undertaken to resolve the Complaint.
f. Final disposition of the Complaint.

2. The Permittee shall designate an individual to summarize Complaints for substantial to the Commission. This person's name, phone number and e-mail address shall accompany all complaint submittals.

3. A Person presenting the Complaint should to the extent possible, include the following information in their communications:

   a. Name, address, phone number, and e-mail address.
   b. Date
   c. Tract or parcel
   d. Whether the complaint relates to (1) a Site Permit matter, (2) a LWECS and associated facility issue, or (3) a compliance issue.

F. Reporting Requirements:

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

Immediate Reports: All substantial complaints shall be reported to the Commission 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, 1-800-657-3794, or by e-mail to: DOC.energypermitcompliance@state.mn.us, or. 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 preceding month, shall be Filed to Dr. Burl W. Haar, Executive Secretary, Public Utilities Commission, using the Minnesota Department of Commerce eDocket system (see eFiling instructions attached to this permit).

If no Complaints were received during the preceding month, the permittee shall submit (eFile) a summary indicating that no complaints were received.

G. Complaints Received by the Commission or OES:

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

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H. Commission Process for Unresolved Complaints:

Initial Screening: Commission staff shall perform an initial evaluation of unresolved Complaints submitted to the Commission. Complaints raising substantial LWECS Site Permit issues shall be processed and resolved by the Commission. Staff shall notify Permittee and appropriate person(s) if it determines that the Complaint is a Substantial Complaint. With respect to such Complaints, each party shall submit a written summary of its position to the Commission no later than ten days after receipt of the Staff notification. Staff shall present Briefing Papers to the Commission, which shall resolve the Complaint within twenty days of submission of the Briefing Papers.

I. Permittee Contacts for Complaints:

Mailing Address: Complaints filed by mail shall be sent to one of the addresses below:

Patrick Smith
Director of Environmental Planning
7650 Edinborough Way, Suite 725
Edina, MN 55435

Tel: 952-988-9000

email: Patrick@geronimowind.com

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ATTACHMENT 3

MINNESOTA PUBLIC UTILITIES COMMISSION
COMPLIANCE FILING PROCEDURE
FOR PERMITTED ENERGY FACILITIES

1. Purpose

To establish a uniform and timely method of submitting information required by the Commission energy facility permits.

2. Scope and Applicability

This procedure encompasses all compliance filings required by permit.

3. Definitions

Compliance Filing – A sending (filing) of information to the Commission, where the information is required by a Commission site or route permit.

4. Responsibilities

A) The permittee shall eFile all compliance filings with Dr. Burl Haar, Executive Secretary, Public Utilities Commission, through the Department of Commerce (DOC) eDocket system. The system is located on the DOC website: https://www.edockets.state.mn.us/EFiling/home.jsp

General instructions are provided on the website. Permittees must register on the website to eFile documents.

B) All filings must have a cover sheet that includes:
1) Date
2) Name of submitter / permittee
3) Type of Permit (Site or Route)
4) Project Location
5) Project Docket Number
6) Permit Section Under Which the Filing is Made
7) Short Description of the Filing

C) Filings that are graphic intensive (e.g., maps, plan and profile) must, in addition to being eFiled, be submitted as paper copies and on CD. Copies and CDs should be sent to: 1) Dr. Burl W. Haar, Executive Secretary, Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul, MN, 55101-2147, and 2) Department of Commerce, Energy Facility Permitting, 85 7th Place East, Suite 500, St. Paul, MN, 55101-2198. Additionally, the Commission may request a paper copy of any eFiled document.

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PERMIT COMPLIANCE FILINGS[1]

PERMITTEE: Paynesville Wind, LLC
PERMIT TYPE: LWECS Site Permit
PROJECT LOCATION: Stearns County
COMMISSION DOCKET NUMBER: IP-6830/WS-10-49

Filing Number	Condition	Description	Due Date	Notes
1	A.1.	Site Plan and Verification of Compliance with Setbacks, Site Layout Restrictions, and Noise Standards	Prior to starting construction	
2	A.2.	Field Representative	Prior to and throughout construction	
3	B.8.	Roads	Identify access roads and obtain road damage agreements before starting construction	
4	B.9.	Soil Erosion and Sediment Control Plan	NDPES Stormwater Runoff Control Permit	
5	B.15	Educational Materials	Submit Upon Request	
6	B.16	Emergency Response	Submit Upon Request. Must Register in 911 Program	
7	C.6.	Native Prairie Protection Plan	60 days prior to the start of construction, if required	
8	D.1.	Biological Survey	Pre-construction Meeting, if required	
9	D.2	Archaeological Resources	Pre-construction Meeting and as Recommended by the State Historic Preservation Office	

[1] This compilation of permit compliance filings is provided for the convenience of the permittee and the Commission. However, it is not a substitute for the permit; the language of the permit controls.

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Filing Number	Condition	Description	Due Date	Notes
10	D.3.	Electromagnetic Interference	Pre-construction Meeting	
11	F.1	Wake Loss	Include with site plan or operation studies if performed	
12	F.2	Noise Study	Pre-Construction Meeting	
13	G.1.	Decommissioning Study	Prior to commercial operation	
14	H.1	Project Energy Production	Due 2/1 each year or quarterly	
15	H.2	Wind Resource Use	Within 3 months after Operation or SCADA Access	
16	I.1.	As Builts	Within 60 days of Completions of Construction	
17	J.1.	Wind Rights	Within 30 days of Acquiring. Upon Request.	
18	K.2.	Failure to Start Construction	Within 2 years of Permit Issuance	
19	K.8	Site Manager	Prior to Operation	
20	Complaints	Report	Due Each Month or within 24 hours	
21	C.2	Map and Text	Illustrating Setbacks from Residences and Roads Pre-construction Meeting	
22	F.2	Noise Study Results	Within 18 months of Commercial Operation	
23				
24				

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