

From: Corey Juhl <cjuhl@juhlenergy.com>
Sent: Wednesday, October 14, 2015 4:17 PM
Subject: Re: SD Wind Projects (PPA discussion request)

Thanks Bleau,

Per our conversation, we will assemble the 8760 production data for all three sites and have that back to you and NWE in short order. For each site we will select the most likely turbine (GE 2.3 - 107 rotor) but obviously a final model selection may change prior to execution of the PPA. With that said, it is all but certain we will use GE equipment so no changes are expected there. To be clear, our 8760 results will provide energy production estimates based on both long-term historic and current on-site met tower data for each one of the three sites.

Understanding that NWE uses a third party for the energy modeling piece, when you get a chance could you please provide the methodology & assumptions that NWE plans to use for the avoided cost calculation? It would be extremely helpful for us to understand as we enter the PPA negotiation period.

Thanks again and looking forward to working with the NWE team on these projects!

Best Regards,

Corey Juhl

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On Oct 14, 2015, at 10:09 AM, LaFave, Bleau <Bleau.LaFave@northwestern.com> wrote:

We can meet and I am currently available on Monday. The meeting may be a bit premature until a rate can be developed for each project. With NorthWestern Energy's full portfolio and our participation in SPP, the need for additional energy is very low and will most likely result in a low rate.

NorthWestern Energy's process is to receive a request and the model input from the developer, develop the avoided costs, and then negotiate the agreement.

The avoided cost is calculated based on the specific output of any project. In order to create a forecasted rate for any give term, NorthWestern Energy will need from a 8760 forecasted output of each project for the term of the agreement to run a model that will identify cost that can be avoided.

· What is need by NorthWestern Energy from the developer is three years of 8760 energy production estimate based on the conversion of the 3 year historic wind data using the equipment that has been selected for the specific site. This data then can be inputted into the model for analysis over the term of the agreement. (This is standard data needed to seek financing for any project)

· If this type of data is not available, we will need to discuss acceptable alternatives that provide NorthWestern Energy, NorthWestern Energy's customers and the Public Service Commission with the confidence that the output represents the output of the wind facility in order to estimate the rate that NorthWestern Energy customers will be paying for the next several years.

Cory – If you give me a call we can discuss the timing and process.

Thanks

Bleau LaFave
Director Long Term Resources
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From: Corey Juhl [<mailto:cjuhl@juhlenergy.com>]
Sent: Tuesday, October 13, 2015 3:11 PM
To: LaFave, Bleau
Cc: Dan Juhl; John Mitola; John Brand; John Brown
Subject: SD Wind Projects (PPA discussion request)
Importance: High

Hi Bleau,

Thanks again for your time last week. Per our conversation, please see the below and attached information on our three wind developments in Central South Dakota. At your soonest possible convenient, we would like to schedule a time to start the PPA negotiation process with NWE staff for each of these projects. Could you please let us know if this Thursday (10/15) at 1PM (CT) or Monday (10/19) @ 11AM (CT) would work for you? If neither of these dates work for you and/or your team, please feel free to suggest a few alternatives.

Additionally, we would like request rate/pricing information regarding NorthWestern Energy's current Avoided Cost rate for a project 20 MW's or below. Thanks in advance and we forward to speaking with you soon.

Brule County Wind, LLC
Location: Kimball, SD
Size: 20 MW
Interconnection Status: Facilities Study
Est. Annual Energy Production: 68,000MWh
Targeted Online Date: 11/1/16

Aurora County Wind, LLC
Location: White Lake, SD
Size: 20 MW
Interconnection Status: Facilities Study
Est. Annual Energy Production: 66,000MWh
Targeted Online Date: 11/1/16

Davison County Wind, LLC
Location: Mitchell, SD
Size: 20 MW
Interconnection Status: Facilities Study
Est. Annual Energy Production: 65,000MWh
Targeted Online Date: 11/1/16

(See attached FERC 556 Forms for all 3 projects which were also recently submitted to the South Dakota PUC)